

DRAFT AGENDA

**REGULAR COUNCIL MEETING
TUESDAY
JULY 5, 2016**

**COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.**

4:00 P.M. MEETING

Individual Items on the 4:00 p.m. meeting agenda may be postponed to the 6:00 p.m. meeting.

1. CALL TO ORDER

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

5. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

6. **PROCLAMATIONS AND RECOGNITIONS**

7. **APPOINTMENTS**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

- A. **Consideration of Appointments:** Board of Adjustment.

RECOMMENDED ACTION:

Make two appointments to terms expiring May 2019.

- B. **Consideration of Appointments:** Airport Commission.

RECOMMENDED ACTION:

Make one appointment to a term expiring October 2017.

- C. **Consideration of Appointments:** Beautification and Public Art Commission.

RECOMMENDED ACTION:

Make two appointments to terms expiring June 2019.

- D. **Consideration of Appointments:** Tourism Commission.

RECOMMENDED ACTION:

Make one appointment to a term expiring January 2017.

8. **LIQUOR LICENSE PUBLIC HEARINGS**

- A. **Consideration and Action on Liquor License Application:** William Peterson, "Arizona Historical Society - Pioneer Museum", 2340 N. Fort Valley Rd, Series 5 (Government), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

- B. **Consideration and Action on Liquor License Application:** Lynn Whiteford, "Galaxy Diner", 931 W. Highway 66., Series 12 (restaurant), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

- C. **Consideration and Action on Liquor License Application:** Jared Repinski, "My Pita Wrap", 1800 S. Milton Rd., Series 12 (restaurant), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

9. **CONSENT ITEMS**

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

- A. **Consideration and Approval of Grant Agreement:** U.S. Department of Justice, Edward Byrne Justice Assistance, through the Arizona Criminal Justice Commission, Drug, Gang, and Violent Crime Control Grant in the amount of \$280,507.00 for the Northern Arizona Street Crimes Task Force (METRO unit).

RECOMMENDED ACTION:

Approve the acceptance of the grant from the U.S. Department of Justice, Edward Byrne Justice Assistance through the Arizona Criminal Justice Commission Grant in the amount of \$280,507.00 for FY2017.

- B. **Consideration and Approval of Purchase:** Purchase of a Highway Striper Paint Truck from Vogel Traffic Services, Inc. dba EZ-Liner Industries Truck utilizing the Maricopa County Contract Number 13118-C in the amount of \$408,209 plus applicable taxes and fees.

RECOMMENDED ACTION:

Approve the purchase of one (1) EZ-Liner Model AL500-EZ highway paint striper truck from EZ-Liner in Orange City, Iowa. The Maricopa County contract price of the EZ-Liner paint striper is \$400,279. The upgrades, modifications and spare parts for operation in Flagstaff is an additional \$19,930. The trade in value (credit) of the 1999 paint striper truck is \$12,000. The total purchase price for the EZ-Liner striper truck after the trade in value is applied is \$408,209 plus any applicable taxes and fees.

- C. **Consideration and Approval of Purchase:** Purchase of two (2) Commercial Front Load Refuse Trucks and one (1) Residential Side Load Refuse Truck from Rush Truck Center Arizona through the Cooperative Purchase Agreement with the City of Tempe, Contract # T15-097-01.

RECOMMENDED ACTION:

Approve the purchase of two (2) Commercial Front Load Refuse Trucks in the amount of \$261,268.22 each and one (1) Residential Side Load Refuse Truck in the amount of \$266,767.51 for a total purchase amount of \$ 789,303.95 from Rush Truck Center Arizona through the Cooperative Purchase agreement with the City of Tempe, Contract #T15-097-01.

- D. **Consideration and Approval of Contract:** Temporary Personnel Services.

RECOMMENDED ACTION:

1) Approve the proposals for the following temporary personnel agencies at the hourly rates outlined in the attached cost summary and authorize the City Manager to execute the Agreement on behalf of the City:

- a) Performance Staffing
- b) 22nd Century Technologies
- c) Abacus Service Corp
- d) Hotfoot Recruiters

10. **ROUTINE ITEMS**

- A. **Consideration of Appointments:** On-Call Judges for the Flagstaff Municipal Court

RECOMMENDED ACTION:

Approve the appointments as recommended by Hon. Thomas L. Chotena, Presiding Magistrate of the Flagstaff Municipal Court.

- B. **Consideration and Approval of Final Plat** for MMV Devco, LLC. for a Final Plat of McMillan Mesa Village Tracts E and F, a four-lot subdivision. The subdivision is located within the R & D, Research and Development zoning district and is 29.16 acres in size, located 1851 North Gemini Drive.

RECOMMENDED ACTION:

Staff recommends approval of the final plat, and to authorize the Mayor to sign both the plat and the City/Subdivider Agreement when notified by the Development Review Board that all conditions have been met and documents are ready for recording. This plat is being processed through the "Modified Subdivision Process" (Division 11-20.90) which is available to subdivisions of four (4) lots or fewer. No preliminary plat was required and therefore the Planning and Zoning Commission didn't review the plat.

- C. **Consideration and Approval of Street Closure(s):** Orpheum Theater's 99th birthday block party

RECOMMENDED ACTION:

Approve the street closure at Aspen Avenue between Beaver Street and Leroux Street on August 20, 2016 from 8:00 AM to 6:00 PM.

- D. **Consideration and Adoption of Ordinance No. 2016-30:** An ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 2, Boards and Commissions, by amending Chapter 2-02, Building and Fire Code Board of Appeals; Chapter 2-04, Water Commission; Chapter 2-08, Commission on Diversity Awareness; Chapter 2-10, Board of Adjustment; Chapter 2-11, Flagstaff Airport Commission; Chapter 2-12, Transportation Commission; Chapter 2-14, Beautification and Public Art Commission; Chapter 2-19, Heritage Preservation Commission; and Chapter 2-20, Open Spaces Commission, thereof; providing for severability, authority for clerical corrections, and establishing an effective date. ***(Updating language to clarify quorum requirements of Boards/Commissions)***

RECOMMENDED ACTION:

At the June 28, 2016, Council Meeting:

- 1) Read Ordinance No. 2016-30 by title only for the first time
- 2) City Clerk reads Ordinance No. 2016-30 by title only (if approved above)

At the July 5, 2016, Council Meeting:

- 3) Read Ordinance No. 2016-30 by title only for the final time
- 4) City Clerk reads Ordinance No. 2016-30 by title only (if approved above)
- 5) Adopt Ordinance No. 2016-30

RECESS

6:00 P.M. MEETING

RECONVENE

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

11. ROLL CALL

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

MAYOR NABOURS
VICE MAYOR BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

12. **PUBLIC PARTICIPATION**

13. **CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA**

14. **PUBLIC HEARING ITEMS**

- A. **Consideration and Adoption of Ordinance No. 2016-27:** An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amount estimated to be required in the Annual Budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June, 2017.
(Property Tax Levy for FY 16-17)

RECOMMENDED ACTION:

- 1) Read Ordinance No. 2016-27 by title only for the final time
- 2) City Clerk reads Ordinance No. 2016-27 by title only (if approved above)
- 3) Adopt Ordinance No. 2016-27

15. **REGULAR AGENDA**

- A. **Consideration and Adoption of Resolution No.2016-25:** A resolution authorizing referral of a ballot question to the qualified electors of the City at the General Election on November 8, 2016, related to possible continuation of a local transaction privilege tax (sales tax), (excluding the sales of food as exempt by state law), for a period of ten years commencing July 1, 2020, with proceeds from the tax to be designated for public transportation purposes. ***(Ballot Question - Transit Tax Renewal)***

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-25 by title only
- 2) City Clerk reads Resolution No. 2016-25 by title only (if approved above)
- 3) Adopt Resolution No. 2016-25

- B. **Consideration and Adoption of Resolution No. 2016-27:** A resolution of the Flagstaff City Council adopting official ballot language question to be submitted to the qualified electors of the City with respect to a temporary increase to the City's secondary property tax and authorization for the sale and issuance of bonds of the City of Flagstaff, Arizona for purposes of municipal court facilities, said question to be submitted at the City's General Election to be held on November 8, 2016. ***(Ballot Language for Municipal Court Facilities Bond Project)***

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-27 by title only
- 2) City Clerk reads Resolution No. 2016-27 by title only (if approved above)
- 3) Adopt Resolution No. 2016-27

- C. **Consideration and Adoption of Resolution No. 2016-26:** A resolution of the Flagstaff City Council calling a Special Election to be held on November 8, 2016, in conjunction with the City's General Election, to submit potential questions to the registered voters of Flagstaff regarding continuation of the transit tax, a possible bond issue for the Courthouse Facility, as well as potential questions proposed by initiative adding a new Title 15, Minimum Wage Law, and preserving City-owned Property as Open Space (Buffalo Park).

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-26 by title only
- 2) City Clerk reads Resolution No. 2016-26 by title only (if approved above)
- 3) Adopt Resolution No. 2016-26

16. DISCUSSION ITEMS

- A. **Discussion:** Arizona Power Authority Power Sales Contract

17. FUTURE AGENDA ITEM REQUESTS

After discussion and upon agreement by a majority of all members of the Council, an item will be moved to a regularly-scheduled Council meeting.

- A. **Future Agenda Item Request (F.A.I.R.):** A request by Vice Mayor Barotz to place on a future work session agenda a presentation by Community Development staff about recent developments related to medical marijuana dispensaries and discussion by Council about whether, in light of this new information, Council should re-examine the existing medical marijuana dispensary zoning code provisions.

18. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, FUTURE AGENDA ITEM REQUESTS

19. ADJOURNMENT

CERTIFICATE OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on _____, at _____ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this _____ day of _____, 2016.

Elizabeth A. Burke, MMC, City Clerk

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration of Appointments: Board of Adjustment.

RECOMMENDED ACTION:

Make two appointments to terms expiring May 2019.

Executive Summary:

The Board of Adjustment is made up of seven citizens, and holds hearings on requests for variances and appeals of decisions by the Planning Director and Zoning Administrator. The Board does not have the authority to change zoning law. There are currently two seats available on the Board; there is one vacant seat and the term of Mr. Naleski expired in May 2016. Mr. Naleski has served two full terms and is ineligible for reappointment. It is important to fill vacancies on boards and commissions quickly so as to allow them to continue meeting on a regular basis.

Filling these vacancies is imperative because an appeal is currently pending before the Board, and it may be difficult to maintain a quorum to hear the appeal without filling these vacancies. Staff has learned that one or more members of the Board may declare, or be challenged with, a conflict of interest that could potentially preclude their involvement in hearing this particular case. No decision has yet been made on whether or not any conflict actually exists but the possibility is there nevertheless. The public and those parties making the appeal expect the Board to be able to consider the case and render a decision in a timely manner.

There are three applications on file for consideration by the Council, they are as follows:

Guillermo E. Cortes (new applicant)
David Monihan Jr. (new applicant)
Margo Wheeler (new applicant)

COUNCIL APPOINTMENT ASSIGNMENT: Mayor Nabours and Councilmember Overton

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Connection to Council Goal and/or Regional Plan:

There is no Council goal that specifically addresses appointments to boards and commissions; however, boards and commissions do provide input and recommendations based on City Council goals that may pertain to the board or commission work plan.

Has There Been Previous Council Decision on This:

None.

Options and Alternatives:

1) Appoint two Board Members: By appointing members at this time, the Board of Adjustment will be at full membership, allowing the group to meet and provide recommendations to the City Council.

2) Table the action to allow for further discussion or expand the list of candidates.

Community Benefits and Considerations:

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

Community Involvement:

INFORM: The vacancies are posted on the City's website, and have been made known through word of mouth by City staff and current board and commission members.

Attachments: BOA Roster
BOA Authority



City of Flagstaff, AZ

BOARD OF ADJUSTMENT MEMBERS

<u>NAME</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>	<u>TRAINING COMPLETED</u>
<u>Andersen, Dan</u> Vice President/Warner's Nursery & Landscape Co. 712 W. Old Territory Trail Flagstaff, AZ 86001 Cell Phone: 853-3400 Term: (1st 3/10-5/12; 2nd 5/12-5/15; 3rd 5/15- 5/18)	03/01/2016	05/18	03/18/2010
<u>Loven, Pat</u> Associate Broker/Realty Executives of Flagstaff 1102 N. Hopi Dr. Flagstaff, AZ 86001 Cell Phone: 928-699-8988 Term: (1st 8/15-5/18)	08/25/2015	05/18	09/30/2015
<u>Naleski, Jerome, Chairman</u> Realtor/Re/Max Peak Properties 2019 N. Crescent Dr. Flagstaff, AZ 86001 Cell Phone: 928-225-9225 Term: (1st 8/07 - 5/10; 2nd 5/10 - 5/13; 3rd 5/13-5/16)	10/01/2013	05/16	10/17/2007
<u>Parker, Greg</u> Retired 3332 S. Little Dr Flagstaff, AZ 86005 Home Phone: 928-951-3075 Term: (1st 8/15-5/18)	08/25/2015	05/18	10/01/2015



City of Flagstaff, AZ

<u>Stigmon, John</u>	01/20/2015	12/17	No
PLANNING AND ZONING Vice President/ECONA 2819 W. Darleen Dr. Flagstaff, AZ 86001 Cell Phone: 928-380-3026 Term: (1st 1/15-12/17)			
<u>van Wyke, John</u>	03/01/2016	05/18	03/17/2016
Military Commander, USAF/Retired 4022 E. Fallen Oak Way Flagstaff, AZ 86004 Cell Phone: 928-853-3141 Term: (1st 3/16-5/18)			
<u>Z-VACANT.</u>		05/16	No

Staff Representative:	Roger Eastman
As Of:	June 21, 2016

CHAPTER 2-10 BOARD OF ADJUSTMENT

SECTIONS:

- 2-10-001-0001 ESTABLISHMENT OF THE BOARD
- 2-10-001-0002 MEMBERSHIP
- 2-10-001-0003 MEETINGS
- 2-10-001-0004 POWERS AND DUTIES
- 2-10-001-0005 APPEALS
- 2-10-001-0006 RESTRICTIONS

2-10-001-0001 ESTABLISHMENT OF THE BOARD

There is hereby created a Board of Adjustment (the "Board"). (1978 Code; Ord. 2010-35, Amended, 11/16/2010)

2-10-001-0002 MEMBERSHIP

The Board of Adjustment shall be composed of seven (7) voting members.

- A. Six (6) members shall be appointed by the Mayor and City Council from the citizens of the City of Flagstaff.
- B. One (1) member shall be appointed by the City Council from the membership of the Planning and Zoning Commission.
- C. Terms shall be for three (3) years for members.
- D. The Board shall elect from its voting members a Chairperson and a Vice-Chairperson who shall serve for a term of one (1) year. The Chairperson shall have the power to administer oaths and take evidence. (Ord. 2010-35, 11/16/2010; Ord. 2014-28, Amended, 11/18/2014)

2-10-001-0003 MEETINGS

The meetings of the Board of Adjustment shall be open to the public and held at the time and place adopted for the regular monthly meetings of the Board. Meetings shall be conducted in accordance with the Board and Commission Members' Rules and Operations Manual adopted by resolution of the Flagstaff City Council, and in compliance with all other local, State, and Federal laws. The minutes of its proceedings, showing the vote of each member and records of its examinations and other official actions shall be kept by the City Clerk as a public record.

A quorum shall be one (1) more than half the voting membership of the Board of Adjustment. (Ord. 2010-35, 11/16/2010; Ord. 2014-28, Amended, 11/18/2014)

2-10-001-0004 POWERS AND DUTIES

The Board of Adjustment ("Board") is a quasi-judicial administrative body established by the City Council that functions on the level between enforcement officers and the Courts. The Board interprets the meaning and spirit of City Code Title 10 (Zoning Code) as enacted by the City Council; it does not have

authority to make or change zoning law. The Board of Adjustment shall have the powers and duties per A.R.S. § 9-462.06 to:

- A. Hear and decide appeals in which it is alleged there is an error in an order, requirement, or decision made by an administrative official in the enforcement of City Code Title 10 (Zoning Code).
- B. Hear and decide appeals for variances from the terms of the Zoning Code only if, because of special circumstances applicable to the property, including its size, shape, topography, location, or surroundings, the strict application of the Zoning Code will deprive such property of privileges enjoyed by other property of the same classification in the same zoning district. Any variance is subject to such conditions as will ensure that the adjustment authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which such property is located.
- C. Reverse or affirm, wholly or in part, or modify the order, requirement, or decision of an administrative officer appealed from, and make such order, requirement, decision, or determination as necessary.
- D. Adopt such rules of procedure necessary for the administration of responsibilities consistent with these regulations. (Ord. 2010-35, 11/16/2010)

2-10-001-0005 APPEALS

Any person aggrieved by a decision of the Board of Adjustment may, at any time within thirty (30) days after the Board has rendered its decision, file a complaint for special action in the superior court to review the Board's decision. Filing the complaint does not stay proceedings on the decision sought to be reviewed, but the court may, on application, grant a stay and on final hearing may affirm or reverse, in whole or in part, or modify the decision reviewed. (Ord. 2010-35, 11/16/2010)

2-10-001-0006 RESTRICTIONS

The Board of Adjustment may not:

- A. Make any changes in the uses permitted in any zoning classification or zoning district, or make any changes in the terms of the Zoning Code provided the restriction in this paragraph shall not affect the authority to grant variances pursuant to this Chapter and Division 10-20.70 (Variances).
- B. Grant a variance if the special circumstances applicable to the property are self-imposed by the property owner.
- C. Grant a variance on an appeal for any of the following:
 - 1. Conditions or stipulations of a Zoning Map amendment.
 - 2. Conditions of a Subdivision Plat recommended for approval by the Planning and Zoning Commission or as approved by the City Council, or of a Land Split Map.
 - 3. Conditions of a Development Agreement.
 - 4. Conditions of an Annexation Agreement or ordinance.
 - 5. Conditions of a Conditional Use Permit.

6. Conditions of a Resource Mitigation Case.
7. Illegal or Prohibited Uses in any zoning district.
8. Illegal or Prohibited Signs, as listed in Division 10-50.100 (Sign Standards), in any district.
9. Determination of a requirement for a General Plan Amendment by the Planning Director.

D. Applications for any of the above-listed items shall not be accepted or processed, nor will the Board of Adjustment schedule or conduct meetings regarding the same. (Ord. 2010-35, 11/16/2010)

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration of Appointments: Airport Commission.

RECOMMENDED ACTION:

Make one appointment to a term expiring October 2017.

Executive Summary:

The Airport Commission consists of seven citizens, and is responsible for reviewing and reporting to the Council on the development of the Airpark and on matters affecting the operation and efficiency of the airport, using the Airport Master Plan as a guide. There is currently one seat available. It is important to fill vacancies on Boards and Commissions quickly so as to allow the Commission to continue meeting on a regular basis.

There are four applications on file and they are as follows:

Mark Didovic (new applicant)
Leslie Jackson (new applicant)
Chris Shields (new applicant)
Blaine Stuart (new applicant)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Vice Mayor Barotz

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

There is no Council goal that specifically addresses appointments to Boards and Commissions; however, boards and commissions do provide input and recommendations based on City Council goals that may pertain to the board or commission work plan.

None.

1) Appoint one Commissioner: by appointing a member at this time, the Airport Commission be at full membership, allowing the group to meet and provide recommendations to the City Council.

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

INFORM: Board members and City staff have informed the community of these vacancies though word of mouth in addition to the vacancies being posted on the City's website.

Attachments: Airport Roster
 Airport Authority



City of Flagstaff, AZ

AIRPORT COMMISSION MEMBERS

<u>NAME</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>	<u>TRAINING COMPLETED</u>
<u>Applebee, Beth</u> HIPAA Privacy Officer/Northern Arizona University 1621 Slippery Rock Rd. Flagstaff, AZ 86004 Cell Phone: 928-699-9784 Term: (1st 8/14-10/15; 2nd 10/15-10/18)	10/20/2015	10/18	02/19/2015
<u>Evans, Matthew</u> Vice-President/Relationship Mgr./National Bank of America 2138 Tombaugh Way Flagstaff, AZ 86001 Cell Phone: 928-600-1387 Term: (1st 1/08 -10/10; 2nd 10/10-10/13; 3rd 10/13-10/16)	12/03/2013	10/16	02/19/2015
<u>Hagan, Mary Lou</u> Retired 4100 N. Fanning Dr. Apt. 4 Flagstaff, AZ 86004 Home Phone: 928-255-5621 Term: (1st 12/13-10/16)	12/03/2013	10/16	02/19/2015
<u>McDaniel, Stuart</u> Government Affairs Director/Greater Flagstaff Chamber of Commerce 4401 E. Butler Flagstaff, AZ 86001 Work Phone: 928-774-4505 Term: (1st 1/15-10/17)	01/06/2015	10/17	No



City of Flagstaff, AZ

Shankland, Paul**01/06/2015****10/17****No**

Director and Installation Commander/U.S.
Navel Observatory
3217 West Lois Lane
Flagstaff, AZ 86001
Home Phone: 336-508-6317
Term: (1st 2/12 - 10/14; 2nd 10/14-10/17)

Wheless, Jeff**10/20/2015****10/18****10/27/2014**

Global A&D Research Lead/Accenture
4683 South House Rock Trail
Flagstaff, AZ 86005
Cell Phone: 480-239-2414
Term: (1st 8/14-10/15; 2nd 10/15-10/18)

Z-VACANT,**10/17****No**

Staff Representative: Barney Helmick**As Of: June 21, 2016**

CHAPTER 2-11 FLAGSTAFF AIRPORT COMMISSION

SECTIONS:

- 2-11-001-0001 COMMISSION CREATED:
- 2-11-001-0002 COMPOSITION; TERMS:
- 2-11-001-0003 ORGANIZATION:
- 2-11-001-0004 COMPENSATION:
- 2-11-001-0005 MEETINGS:
- 2-11-001-0006 ACTIONS OF THE COMMISSION:

2-11-001-0001 COMMISSION CREATED:

There is hereby established the Flagstaff Airport Commission to be composed of seven (7) members who shall meet as hereinafter provided to consider and deliberate upon matters of concern to the City Council and citizens that affect the operation and efficiency of the airport toward the end of providing an optimum level of services within available resources using the Airport Master Plan as a basic guide. (Ord. 1897, 11/21/95)

(Ord. No. 1897, Amended, 11/21/95)

2-11-001-0002 COMPOSITION; TERMS:

The composition of the membership of the Commission shall be as follows:

A. Seven (7) members to be appointed by the City Council who shall serve for three (3) year terms, on a staggered basis.

B. Ex Officio Members: The following persons shall be ex officio members of the Commission, but shall have no vote:

The Mayor;

The City Manager;

The Airport Manager;

The FAA Tower Operator.

C. A quorum shall be one (1) more than half the voting members. (Res. 1045, 9-20-77; Ord. No. 1897, Amended, 11/21/95; Ord. No. 2007-03, Amended 02/06/2007; Ord. 2014-28, Amended, 11/18/2014)

2-11-001-0003 ORGANIZATION:

At the first meeting after appointment and at the first meeting held in any calendar year thereafter, the members of the Commission shall elect a Chairperson and Vice-Chairperson. (Ord. No. 2007-03, Amended 02/06/2007)

2-11-001-0004 COMPENSATION:

The members of the Commission may be reimbursed by the City for necessary travel and subsistence expenses, but shall not receive compensation for their services. Any such travel must be approved in advance by the City Council or the City Manager with all budgetary considerations taken into account.

2-11-001-0005 MEETINGS:

The Commission shall hold regular monthly meetings, which shall at all times be open to the public, the time and place of said meetings shall be posted in accordance with any currently applicable Arizona State Statutes regulating public meetings and proceedings (open meeting laws). Special meetings may be called by the Chairperson on twenty-four (24) hours' notice.

2-11-001-0006 ACTIONS OF THE COMMISSION:

- A. The Commission, with the consent of the City Manager, may call on all City divisions for assistance in the performance of its duties, and it shall be the duty of such divisions to render such assistance to the Commission as may be reasonably required.
- B. All discussions, deliberations, actions and recommendations of the Commission shall be advisory to the City Council, and such advisories as the Commission may from time to time make shall be forwarded to the City Council through the City Manager. (Res. 1045, 9-20-77)

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration of Appointments: Beautification and Public Art Commission.

RECOMMENDED ACTION:

Make two appointments to terms expiring June 2019.

Executive Summary:

The Beautification and Public Art Commission consists of seven citizens, and recommends expenditures from the BBB beautification fund and public art portion of the BBB arts and science fund. It studies and recommends community beautification projects ranging from landscaping and irrigation, signs and billboards, buildings, facilities, streetscapes, gateways, the purchase and installation of public art projects within beautification projects, property acquisition for beautification and/or public art projects, and neighborhood-initiated projects, to mention a few.

There are currently two seats available; the seats of Ms. Gardner and Mr. Hasenbank will expire at the end of June and both are eligible for reappointment should they choose to apply. It is important to fill vacancies on Boards and Commissions quickly so as to allow the Commission to continue meeting on a regular basis.

There are three applications currently on file, they are as follows:

Andres Adauto (new applicant)
Jill Christensen (new applicant)
Erin Joyce (new applicant)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

Council Appointment Assignment: Councilmember Overton and Councilmember Oravits

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Connection to Council Goal and/or Regional Plan:

There is no Council goal that specifically addresses appointments to Boards and Commissions; however, boards and commissions do provide input and recommendations based on City Council goals that may pertain to the board or commission work plan.

Has There Been Previous Council Decision on This:

The City Council recently took action to eliminate the specialty designations associated with the Beautification and Public Art Commission.

Options and Alternatives:

1) Appoint two Commissioners; by appointing Commissioners at this time, the Beautification and Public Art Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.

2) Table the action to allow for further discussion or expand the list of candidates.

Community Benefits and Considerations:

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

Community Involvement:

INFORM: The vacancies are posted on the City's website and individual recruitment and mention of the opening by Board members and City staff has occurred, informing others of these vacancies through word of mouth.

Attachments: BPAC Roster
BPAC Authority



City of Flagstaff, AZ

BEAUTIFICATION AND PUBLIC ART COMMISSION MEMBERS

<u>NAME</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>	<u>TRAINING COMPLETED</u>
<u>Averbeck, George</u> Glass Artist/Self 429 E. David Flagstaff, AZ 86001 Cell Phone: 928-600-1158 Term: (1st 5/14-6/17)	05/20/2014	06/17	No
<u>Barber-Winter, Jasmine</u> Marketing & PR Assistant, Discovery Art Educator/Museum of Northern Arizona 723 W. Aspen Ave Flagstaff, AZ 86001 Home Phone: 775-762-9771 Term: (1st 3/16-6/18)	03/01/2016	06/18	No
<u>Chambers, Robert</u> Program Director/TerraBIRDS 103 N. Bonito #1 Flagstaff, AZ 86001 Cell Phone: 928-255-9470 Term: (1st 12/12-6/15; 2nd 6/15-6/18)	03/01/2016	06/18	11/04/2013
<u>Clark, Dan</u> Retired 4884 Bright Angel Trail Flagstaff, AZ 86005 Home Phone: 760-793-6681 Term: (1st 10/15-6/18)	10/20/2015	06/18	No



City of Flagstaff, AZ

Doyle, Anne, Chairman**05/20/2014****06/17****10/20/2011**

Heritage Program Manager/Museum of
Northern Arizona
508 W. Tombstone
Flagstaff, AZ 86001
Cell Phone: 928-607-2066
Term: (1st 6/11 - 6/14; 2nd 6/14-6/17)

Gardner, Emma**10/01/2013****06/16****03/12/2013**

Artist/Self
216 S. Beaver St.
Flagstaff, AZ 86001
Home Phone: 928-607-5039
Term: (1st 12/12-6/13; 2nd 6/13-6/16)

Hasenbank, Jason, Vice Chairman**10/01/2013****06/16****11/04/2013**

Owner/Off The Wall Entertainment
816 N. Kendrick Sr.
Flagstaff, AZ 86001
Home Phone: 928-607-3001
Term: (1st 10/13 - 6/16)

Staff Representative: Karl Eberhard**As Of: June 21, 2016**

CHAPTER 2-14 BEAUTIFICATION AND PUBLIC ART COMMISSION

SECTIONS:

- [2-14-001-0001](#) CREATION OF COMMISSION:
- [2-14-001-0002](#) COMPOSITION AND TERM OF OFFICE:
- [2-14-001-0003](#) COMPENSATION OF COMMISSION MEMBERS:
- [2-14-001-0004](#) ORGANIZATION:
- [2-14-001-0005](#) MEETINGS:
- [2-14-001-0006](#) DUTIES:

2-14-001-0001 CREATION OF COMMISSION:

There is hereby established a City Beautification and Public Art Commission. There shall be seven (7) voting members of said Commission who shall meet as hereinafter provided to consider and recommend programs for the expenditure of the beautification and arts and sciences portions of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues.

"Arts and sciences" means support for Flagstaff arts, scientific and cultural activities, events and organizations to provide direct and indirect citizen participation and enhancement of the overall quality of life and community image including support of public art. (Same meaning as set forth in Section 3-06-001-0001.)

"Beautification" means any modification of the urban physical environment to increase pleasure to the senses or pleasurable exalt the mind or spirit or strengthen the urban design framework of the City (same meaning as set forth in Section 3-06-001-0001). (Ord. No. 1580, Enacted, 08/02/88; Ord. No. 2006-15, Amended, 05/16/2006; Ord. No. 2007-07, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-14-001-0002 COMPOSITION AND TERM OF OFFICE:

The composition of the membership shall consist of seven (7) members appointed by the City Council.

Each member shall serve three (3) year terms, on a staggered basis. A member's term in office shall commence with the first regular Commission meeting following the appointment and terminate with the regular Commission meeting at which the successor takes office. No voting member of the Commission may be appointed to more than two (2) full consecutive terms. (Ord. No. 1580, Enacted, 08/02/88; Ord. No. 1674, Amended, 09/18/90; Ord. No. 2006-15, Amended, 05/16/2006; Ord. No. 2007-04, Amended, 02/06/07; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-14-001-0003 COMPENSATION OF COMMISSION MEMBERS:

Members of the Commission shall serve without compensation.

(Ord. No. 1580, Enacted, 08/02/88)

2-14-001-0004 ORGANIZATION:

The Commission shall elect a Chairperson from among its members. The term of the Chairperson shall be one year with eligibility for reelection. Commission members may not serve more than two (2) consecutive terms as Chairperson. The Council representative shall not be eligible for the Chair.

(Ord. No. 1580, Enacted, 08/02/88)

2-14-001-0005 MEETINGS:

A. The Commission shall hold at least one regular meeting per month, which shall at all times be open to the public, the time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.

B. A quorum consisting of a minimum of five (5) voting members shall be required to conduct business.

(Ord. No. 1580, Enacted, 08/02/88; Ord. No. 2006-15, Amended 05/16/2006)

2-14-001-0006 DUTIES:

The duties of the Commission shall be to:

A. The Commission shall be responsible for preparing a Five (5) Year Plan. The Five (5) Year Plan shall be used as a guideline for future programs. Said Plan shall be presented to the Council prior to April 1st of each year.

B. Develop and present to City Council an Annual Plan outlining the Commission's program recommendations for the upcoming fiscal year. Said plan shall be presented to the Council prior to April 1st of each year.

C. Make recommendations to the City Council concerning the annual budgetary allocation of the beautification and public art portions of the Bed, Board and Booze Tax and other monies as deemed appropriate by the City Council, to include, but not be limited to:

1. Purchase, installation or modification of landscaping and irrigation systems;
2. Purchase, removal or modification of billboards and nonconforming signs;
3. Beautification of buildings and facilities, streetscapes and gateways;
4. Purchase and installation of public art projects;
5. Purchase or lease of easements or property necessary for beautification projects.

D. Make recommendations to the City Council for public art projects by:

1. Reviewing and defining potential public art projects and writing project descriptions.
2. Determining the artist selection method and writing the call to artists for public art projects.
3. Evaluating public art proposals for recommendation to the City Council.
4. Facilitating display of local art in public facilities.

E. With respect to the arts and science portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues, the Commission shall make recommendations to the Council concerning the annual budgetary allocation of the arts and science portion of this tax, to include but not be limited to:

1. Developing and supporting the Flagstaff arts, scientific and cultural activities, events and organizations to provide direct and indirect citizen participation, and opportunities for enhancement of the overall quality of life and community image.
2. Developing, acquiring and distributing material to promote arts and science.
3. Developing financial assistance programs to stimulate artistic and scientific activities in Flagstaff.
4. Retaining of appropriate staff to implement approved programs.

F. Perform those additional duties as determined by the City Council, related to the Beautification and Public Art Commission. (Ord. No. 1580, Enacted, 08/02/88; Ordinance No. 2006-15, Amended, 05/16/2006; Ord. 2015-22, Amended, 01/05/2016)

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration of Appointments: Tourism Commission.

RECOMMENDED ACTION:

Make one appointment to a term expiring January 2017.

Executive Summary:

The mission of the Tourism Commission is to develop, promote, and maintain Flagstaff as a year-round visitor destination with professional visitor services that will benefit the community economically, environmentally, and socially. The Tourism Commission makes recommendations to the Council concerning expenditure of the tourism portion of the Bed, Board and Booze ("BBB") tax, a 2% local transaction privilege tax. The Tourism Commission consists of seven citizens serving three-year terms. There is currently one seat available. It is important to fill vacancies on Boards and Commissions quickly so as to allow the Commission to continue meeting on a regular basis.

There are five applications on file for consideration by the Council, they are as follows:

Jose Alvarado (new applicant)
Joann Clark (new applicant)
Nicholas Gabriel (new applicant)
Katherine Elizabeth Roe (new applicant)
Caleb Schiff (new applicant)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Councilmember Overton

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Connection to Council Goal and/or Regional Plan:

There is no Council goal that specifically addresses appointments to Boards and Commissions; however, boards and commissions do provide input and recommendations based on City Council goals that may pertain to the board or commission work plan.

Has There Been Previous Council Decision on This:

The City Council recently took action to eliminate the specialty designations associated with the Tourism Commission.

Options and Alternatives:

- 1) Appoint one Commissioner: By appointing a member at this time, the Tourism Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.
- 2) Table the action to allow for further discussion or expand the list of candidates.

Community Benefits and Considerations:

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

Community Involvement:

INFORM: The vacancies are posted on the City's website and individual recruitment and mention of the opening by Commission members and City staff has occurred, informing others of this vacancy through word of mouth.

Attachments: Tourism Roster
Tourism Authority



City of Flagstaff, AZ

TOURISM COMMISSION MEMBERS

<u>NAME</u>	<u>APPOINTED</u>	<u>TERM EXPIRES</u>	<u>TRAINING COMPLETED</u>
<u>D'Agostino, Thomas</u> Director of Sales/Sonesta ES Suites 5700 N. Villa Circle, Unit 455 Flagstaff, AZ 86004 Work Phone: 928-526-5555, ext 6005 Term: (1st 3/16-1/19)	03/01/2016	01/19	03/22/2016
<u>Dullbson, Dino</u> Hotelier/Owner/Manager/Self 4800 E. Mt. Pleasant Flagstaff, AZ 86004 Cell Phone: 928-380-3450 Term: (1st 2/10 - 1/13; 2nd 1/13 - 1/16; 3rd 1/16-1/19)	03/01/2016	01/19	02/16/2012
<u>Fleischer, Lynda</u> Owner/Manager/Altitudes Bar & Grill 3230 W. Shannon Flagstaff, AZ 86001 Cell Phone: 928-607-3405 Term: (1st 3/16-1/17)	03/01/2016	01/17	No
<u>Grogan, Debbi</u> Owner/Peak Events, LLC 3616 Fox Lair Dr. Flagstaff, AZ 86004 Cell Phone: 928-606-5601 Term: (1st 2/15-01/16; 2nd 1/16-1/19)	03/01/2016	01/19	No



City of Flagstaff, AZ

Murphy, Ben**01/06/2015****01/18****No**

Founder/Lead Guide/All-Star Grand Canyon
Tours

3834 N. Paradise Rd.

Flagstaff, AZ 86004

Cell Phone: 928-864-9554

Term: (1st 1/15-1/18)

Shields, Susan**02/13/2014****01/17****No**

Director of Sales/Little America Hotel

2697 N. Sandstone Way

Flagstaff, AZ 86004

Cell Phone: 928-637-5467

Term: (1st 2/14-1/17)

Z-VACANT,**01/17****No**

Staff Representative: Heidi Hansen**As Of: June 21, 2016**

CHAPTER 2-13 TOURISM COMMISSION

SECTIONS:

- 2-13-001-0001 CREATION OF THE COMMISSION:
- 2-13-001-0002 COMPOSITION AND TERM OF OFFICE:
- 2-13-001-0003 COMPENSATION OF COMMISSION MEMBERS:
- 2-13-001-0004 ORGANIZATION:
- 2-13-001-0005 MEETINGS:
- 2-13-001-0006 DUTIES:

2-13-001-0001 CREATION OF THE COMMISSION:

There is hereby established a City Tourism Commission. There shall be seven (7) voting members of said Commission who shall meet as hereinafter provided to consider and recommend programs for the expenditure of the tourism portion of the Bed, Board and Booze Tax allocated under Chapter 3-06, Hospitality Industry Tax Revenues.

“Tourism” means the guidance, management, marketing, accommodation, promotion and encouragement of tourists (same meaning as set forth in Section 3-06-001-0001). (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0002 COMPOSITION AND TERM OF OFFICE:

The composition of the membership shall consist of:

- A. Seven (7) members to be appointed by the City Council. Each member shall serve for three (3) years, on a staggered term basis.
- B. The City Manager or the Manager’s designee shall be an ex officio member of the Commission. The member shall have no voting privileges.

The City Manager shall be responsible for staff support of the Tourism Commission.

The Council shall fill vacancies for the unexpired term of any of the members of the Commission.

A member’s term in office shall commence with the first regular Commission meeting following the appointment and terminate with the regular Commission meeting at which the successor takes office. No voting member of the Commission may be appointed to more than two (2) consecutive full terms. (Ord. No. 1579, Enacted, 08/02/88; Ord. No. 1674, Amended, 09/18/90; Ord. 2001-27, Amended, 11/20/2001; Ord. No. 2006-09, Amended 04/10/2006; Ord. 2014-28, Amended, 11/18/2014; Ord. 2015-22, Amended, 01/05/2016)

2-13-001-0003 COMPENSATION OF COMMISSION MEMBERS:

Members of the Commission shall serve without compensation.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0004 ORGANIZATION:

The Commission shall elect a Chairperson from among its members. The term of the Chairperson shall be one year with eligibility for reelection. Commission members may not serve more than two (2) consecutive terms as Chairperson. The Council representative shall not be eligible for the Chair.

(Ord. No. 1579, Enacted, 08/02/88)

2-13-001-0005 MEETINGS:

A. The Commission shall hold at least one (1) regular meeting per month, which shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.

A quorum consisting of a minimum of four (4) voting members shall be required to conduct business.

B. The Chairperson of the Commission shall meet with the Chairpersons of the Economic Development Commission and the Beautification Commission at least once per month. The purpose of the meeting is for coordination of the three (3) commissions only. The intent is not to create another commission. The meeting shall at all times be open to the public. The time and place of said meeting shall be posted in accordance with applicable Arizona State Statutes.

C. If a member is absent for three (3) meetings within a twelve (12) month period, excused or unexcused, that member may be replaced by the City Council. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2001-27, Amended, 11/20/2001; Ord. 2014-28, Amended, 11/18/2014)

2-13-001-0006 DUTIES:

The duties of the Commission shall be to:

A. Prepare a Five (5) Year Master Plan. The Five (5) Year Plan shall be used as a guideline for future programs. Said Plan shall be presented to the Council prior to April 1st of each year.

B. Develop and present to City Council an Annual Plan outlining the Commission's program recommendations for the upcoming fiscal year. Said plan shall be presented to the Council prior to April 1st of each year.

C. Make recommendations to the City Council concerning the annual budgetary allocation of the tourism portion of the Bed, Board and Booze Tax to include, but not be limited to:

1. Providing funding to the qualified, established public or private agency to administer, on a contract basis, tourism programs as required.
2. Developing and implementing a marketing plan. Major elements of the marketing plan will include, but not be limited to, developing a specific image for Flagstaff, identifying target market segments, and implementing a promotional plan directed to target market segments.
3. Establishing visitor information center(s) to include, but not be limited to, a high profile location, easy visitor access, adequate staffing, a toll-free telephone number for visitor information, and develop other facilities as needed to benefit visitors and the community.

4. Establishing an educational program to include, but not be limited to, scholarships for hospitality education at Northern Arizona University.

5. Promoting activities that enhance the community's image and the overall quality of life.

6. Retaining of appropriate staff to implement approved programs.

D. Perform any additional duties as determined by the City Council related to tourism activities. (Ord. No. 1579, Enacted, 08/02/88; Ord. 2015-22, Amended, 01/05/2016)

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Action on Liquor License Application: William Peterson, "Arizona Historical Society - Pioneer Museum", 2340 N. Fort Valley Rd, Series 5 (Government), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 5 license allows for a government agency to sell and serve spirituous liquor solely for consumption on the premises. The property has been posted as required, and the Police, Community Development and Sales Tax divisions have reviewed the application with no concerns noted.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Connection to Council Goal and/or Regional Plan:

Liquor licenses are a regulatory action and there is no Council goal that applies.

Has There Been Previous Council Decision on This:

Not applicable.

Options and Alternatives:

- 1) Table the item if additional information or time is needed.
- 2) Make no recommendation.
- 3) Forward the application to the State with a recommendation for approval.
- 4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Key Considerations:

Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.

The deadline for issuing a recommendation on this application is July 10, 2016.

Community Benefits and Considerations:

This business will contribute to the tax base of the community.

Community Involvement:

The application was properly posted on June 13, 2016. No written protests have been received to date.

Attachments: [AZ Historical - Letter to Applicant](#)
 [Hearing Procedures](#)
 [Series 05 Description](#)
 [AZ Historical - PD Memo](#)
 [AZ Historical - Code Memo](#)
 [AZ Historical - Tax Memo](#)

OFFICE OF THE CITY CLERK

June 21, 2016

Arizona Historical Society – Pioneer Museum
Attn: William Peterson
2340 N. Fort Valley Rd.
Flagstaff, AZ 86001

Dear Mr. Peterson:

Your application for a Series 5 Government liquor license for Arizona Historical Society – Pioneer Museum at 2340 N. Fort Valley Rd., was posted on June 13, 2016. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 5, 2016 which begins at 4:00 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on July 3, 2016 and the application may be removed from the premises at that time.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy Saltzburg
Deputy City Clerk

Enclosure



City of Flagstaff

Liquor License Application Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will open the public hearing on the item.
2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.
3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.
4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.
5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.
6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.
7. The presiding officer will then close the public hearing.
8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;
 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
 5. Residential and commercial population density within one mile of the proposed premises;
 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

License Type: Series 5 Government

Non-transferable

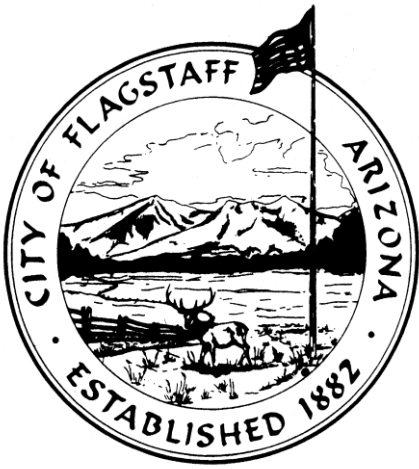
On-sale retail privileges

PURPOSE:

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town, state university or the Arizona Coliseum and exposition centerboard whose governing body has authorized its use. A separate license is required for each premise upon which spirituous liquor is served. The application must designate, for each location, a manager or other individual responsible for administering the license.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

Applicants, licensees, and managers must take a Title 4 training course (liquor handling, laws and regulations) prior to approval. A pregnancy warning sign for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar. An Employee Log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.



FLAGSTAFF POLICE DEPARTMENT

911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001 • (928) 779-3646

ADMIN FAX (928) 213-3372

TDD 1-800-842-4681



Chief of Police
Kevin D. Treadway

MEMORANDUM

16-063-01

TO Chief Kevin Treadway

FROM Sgt. Matt Wright

DATE June 6, 2016

REF LIQUOR LICENSE APPLICATION –SERIES 5- for “Arizona Historical Society- Pioneer Museum”

On June 6, 2016, I initiated an investigation into an application for a series 5 (Government) liquor license filed by William Peterson (Agent), on behalf of the Arizona Historical Society – Northern Division. This is an application for a new series 5 license #05033008. The Arizona Historical Society – Pioneer Museum is located at 2340 N. Forte Valley Road in Flagstaff.

I conducted a query through local systems and public access on William Peterson and no derogatory records were found. I could not locate any liquor violations at the Pioneer Museum. The application defines several specific buildings and locations on the Museum’s Property that will be licensed.

I have called and spoke with a representative of William. The representative stated the buildings and locations identified on the map were correct. These areas are either in buildings on the property or outside areas that will have clear barriers identifying the area the liquor will be sold and consumed. No liquor violations could be found, as this is the museum’s first permanent license. The representative indicated they only plan to sell beer and wine at special events. The application does not list a manager.

As a result of this investigation, a recommendation to Council would be for approval.



Planning and Development Services Memorandum

June 15, 2016

TO: Stacy Saltzburg, Deputy City Clerk

THROUGH: Dan Folke, Planning Director *D.F.*

FROM: Reggie Eccleston, Code Compliance Officer. *(RE)*

RE: Application for Liquor License #05033008
2340 N. Fort Valley Rd. Flagstaff, Arizona 86001
Assessor's Parcel Number 102-02-002A
William David Peterson on behalf of Arizona Historical Society-
Pioneer Museum

This application is a request for a new, Series 5 Government liquor license, by William Davis Peterson on behalf of Arizona Historical Society – Pioneer Museum. This facility is located within the Public Facility district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

This liquor license is recommended for approval.

Liquor License Memo

To: Stacy Saltzberg, Deputy City Clerk

From: Sandy Corder, Interim Revenue Director

Date: June 15, 2016

Re: Series 5 Liquor License – Arizona Historical Society – Pioneer Museum

I have reviewed the records for Arizona Historical Society, dba Pioneer Museum and I have no objection to approval of this liquor license.

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Action on Liquor License Application: Lynn Whiteford, "Galaxy Diner", 931 W. Highway 66., Series 12 (restaurant), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 12 license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. The old license was terminated by the State for delinquent sales taxes; the taxes have been brought current and a new application is required by the State. The property has been posted as required, and the Police, Community Development, and Sales Tax divisions have reviewed the application with no concerns noted.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Connection to Council Goal and/or Regional Plan:

Liquor licenses are a regulatory action and there is no Council goal that applies.

Not applicable.

- 1) Table the item if additional information or time is needed.
- 2) Make no recommendation.
- 3) Forward the application to the State with a recommendation for approval.
- 4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.

This business will contribute to the tax base of the community.

The application was properly posted on June 13, 2016. No written protests have been received to date.

Attachments: Galaxy - Letter to Applicant
 Hearing Procedures
 Series 12 Description
 Galaxy - PD Memo
 Galaxy - Code Memo
 Galaxy - Tax Memo

OFFICE OF THE CITY CLERK

June 21, 2016

Galaxy Diner
Attn: Lynn Whiteford
2105 S. 48th Street, Suite 101
Tempe, AZ 85282

Dear Ms. Whiteford:

Your application for a new Series 12 liquor license for Galaxy Diner at 931 W. Highway 66., was posted on June 13, 2016. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 5, 2016 which begins at 4:00 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on July 3, 2016 and the application may be removed from the premises at that time.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy Saltzburg
Deputy City Clerk

Enclosure



City of Flagstaff

Liquor License Application Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will open the public hearing on the item.
2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.
3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.
4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.
5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.
6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.
7. The presiding officer will then close the public hearing.
8. The Council will then, by motion, vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

R19-1-702. Determining Whether to Grant a License for a Certain Location

- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
1. Petitions and testimony from individuals who favor or oppose issuance of a license and who reside in, own, or lease property within one mile of the proposed premises;
 2. Number and types of licenses within one mile of the proposed premises;
 3. Evidence that all necessary licenses and permits for which the applicant is eligible at the time of application have been obtained from the state and all other governing bodies;
 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
 5. Residential and commercial population density within one mile of the proposed premises;
 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 12 Restaurant License

Non-transferable

On-sale retail privileges

Note: Terms in **BOLD CAPITALS** are defined in the [glossary](#).

PURPOSE:

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

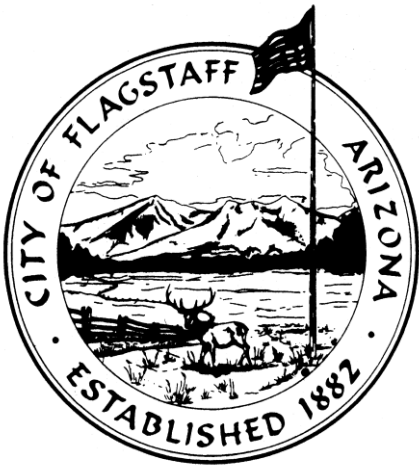
On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Bar, beer and wine bar, and restaurant licensees must pay an annual surcharge of \$20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.



FLAGSTAFF POLICE DEPARTMENT

911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001 • (928) 779-3646

ADMIN FAX (928) 213-3372

TDD 1-800-842-4681



Chief of Police
Kevin D. Treadway

MEMORANDUM

16-061-01

TO Chief Kevin Treadway

FROM Sgt. Matt Wright

DATE June 6, 2016

REF LIQUOR LICENSE APPLICATION FOR an a new series 12 license for the Galaxy Diner

On June 6, 2016, I initiated an investigation into an application for a series 12 (restaurant) Liquor License for Galaxy Diner located at 931 W. Hwy 66 in Flagstaff. I spoke with Lynn Whiteford the listed agent on the license. Lynn is filing the application for a new series 12 license as the old license was terminated pending the completion of payment plan for delinquent sales taxes. The payment plan has been completed and a new application is required by the Arizona Department of Liquor. Lynn also stated they only planned to sell beer and wine. The current license number is 12033401.

I conducted a query through our local systems and public access on Lynn Whiteford (agent/controlling person), Mona Kollmorgen (controlling person) and Matthew Del Fiocco (manager). No derogatory records were found on any of the applicants. I found one liquor law violation for delinquent taxes, which is consistent with what Lynn Whiteford had already disclosed.

Based on this investigation I can find no reason to oppose this application for the new series 12 restaurant license.



Planning and Development Services Memorandum

June 15, 2016

TO: Stacy Saltzburg, Deputy City Clerk

THROUGH: Dan Folke, Planning Director *DF*

FROM: Reggie Eccleston, Code Compliance Officer *RE*

RE: Application for Liquor License #12033401
931 W. Highway 66, Flagstaff, Arizona 86001
Assessor's Parcel Number 103-03-013M
Lynn Bernard Whiteford on behalf of Galaxy Diner

This application is a request for a new, Series 12 Restaurant liquor license, by Lynn Bernard Whiteford on behalf of Galaxy Diner. This restaurant is located within the Highway Commercial district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

This liquor license is recommended for approval.

Liquor License Memo

To: Stacy Saltzberg, Deputy City Clerk
From: Sandy Corder, Interim Revenue Director
Date: May 31, 2016
Re: Series 12 Liquor License – Galaxy Diner

I have reviewed the records for JB's Family Restaurants, Inc., dba Galaxy Diner and I have no objection to approval of this liquor license.

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, Deputy City Clerk
Date: 06/21/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Action on Liquor License Application: Jared Repinski, "My Pita Wrap", 1800 S. Milton Rd., Series 12 (restaurant), New License.

RECOMMENDED ACTION:

Hold the Public Hearing; absent any valid concerns received from the public hearing, staff recommends the Council forward a recommendation for approval to the State.

Executive Summary:

The liquor license process begins at the State level and applications are then forwarded to the respective municipality for posting of the property and holding a public hearing, after which the Council recommendation is forwarded back to the State. A Series 12 license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food. The property has been posted as required, and the Police, Community Development, and Sales Tax divisions have reviewed the application with no concerns noted.

Financial Impact:

There is no budgetary impact to the City of Flagstaff as this is a recommendation to the State.

Connection to Council Goal and/or Regional Plan:

Liquor licenses are a regulatory action and there is no Council goal that applies.

Has There Been Previous Council Decision on This:

Not applicable.

Options and Alternatives:

- 1) Table the item if additional information or time is needed.
- 2) Make no recommendation.
- 3) Forward the application to the State with a recommendation for approval.
- 4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

Key Considerations:

Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.

The deadline for issuing a recommendation on this application is August 5, 2016.

Community Benefits and Considerations:

This business will contribute to the tax base of the community.

Community Involvement:

The application was properly posted on June 13, 2016. No written protests have been received to date.

Attachments: [My Pita Wrap - Letter to Applicant](#)
 [Hearing Procedures](#)
 [Series 12 Description](#)
 [My Pita Wrap - PD Memo](#)
 [My Pita Wrap - Code Memo](#)
 [My Pita Wrap - Tax Memo](#)

OFFICE OF THE CITY CLERK

June 21, 2016

My Pita Wrap
Attn: Jared Repinski
P.O. Box 6252
Chandler, AZ 85246

Dear Mr. Repinski:

Your application for a new Series 12 liquor license for My Pita Wrap at 1800 S. Milton Rd., Suite 15, was posted on June 13, 2016. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on **Tuesday, July 5, 2016 which begins at 4:00 p.m.**

It is important that you or your representative attend this Council Meeting and be prepared to answer any questions that the City Council may have. Failure to be available for questions could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application is set to expire on July 3, 2016 and the application may be removed from the premises at that time.

If you have any questions, please feel free to call me at 928-213-2077.

Sincerely,

Stacy Saltzburg
Deputy City Clerk

Enclosure



City of Flagstaff

Liquor License Application Hearing Procedures

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3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.
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6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.
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- A. To determine whether public convenience requires and the best interest of the community will be substantially served by issuing or transferring a license at a particular unlicensed location, local governing authorities and the Board may consider the following criteria:
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 4. Residential and commercial population of the community and its likelihood of increasing, decreasing, or remaining static;
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 6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers;
 7. Effect on vehicular traffic within one mile of the proposed premises;
 8. Compatibility of the proposed business with other activity within one mile of the proposed premises;
 9. Effect or impact on the activities of businesses or the residential neighborhood that might be affected by granting a license at the proposed premises;
 10. History for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant received a detailed report of the violations and criminal activity at least 20 days before the hearing by the Board;
 11. Comparison of the hours of operation at the proposed premises to the hours of operation of existing businesses within one mile of the proposed premises; and
 12. Proximity of the proposed premises to licensed childcare facilities as defined by A.R.S. § 36-881.
- B. This Section is authorized by A.R.S. § 4-201(I).

License Types: Series 12 Restaurant License

Non-transferable

On-sale retail privileges

Note: Terms in **BOLD CAPITALS** are defined in the [glossary](#).

PURPOSE:

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

ADDITIONAL RIGHTS AND RESPONSIBILITIES:

An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

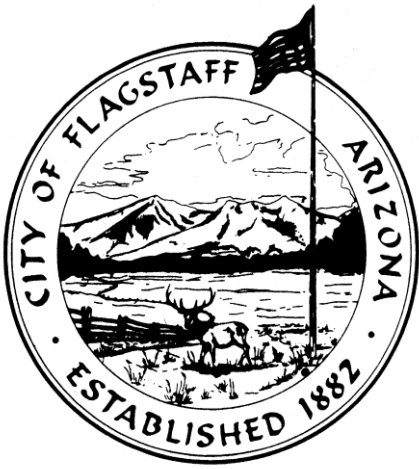
On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Bar, beer and wine bar, and restaurant licensees must pay an annual surcharge of \$20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.



FLAGSTAFF POLICE DEPARTMENT

911 SAWMILL RD • FLAGSTAFF, ARIZONA 86001 • (928) 779-3646

ADMIN FAX (928) 213-3372

TDD 1-800-842-4681



Chief of Police
Kevin D. Treadway

MEMORANDUM

16-066-01

TO Chief Kevin Treadway

FROM Sgt. Matt Wright

DATE June 14, 2016

REF LIQUOR LICENSE APPLICATION –SERIES 12- for “My Pita Wrap”

On June 14, 2016, I initiated an investigation into an application for a series 12 (restaurant) liquor license filed by Jared Repinski (Agent), Hanna Abdallah, Samer Abdallah, and Adham Abdallah (Controlling Persons). Jared Repinski is the listed Agent on the license for administrative purposes only and will not be active in the day to day operations. My Pita Wrap is located at 1800 S. Milton Road suite #15 in Flagstaff. This is an application for a new series 12 license #12033404.

I conducted a query through local systems and public access on Jared Repinski (Agent), Hanna Abdallah, Samer Abdallah, and Adham Abdallah. Nothing negative was found on any of the applicants.

I spoke with Samer who stated he was one of the owners of the restaurant and would also be responsible for the day to day operations. Samer said this would be his first liquor license and therefore has no liquor law violations. Samer advised he was aware of the requirements of the series 12 liquor license and has attended the mandatory liquor license training and provided proof. Samer said they planned to only sell beer and wine.

As a result of this investigation, a recommendation to Council would be for approval.



Planning and Development Services Memorandum

June 15, 2016

TO: Stacy Saltzburg, Deputy City Clerk

THROUGH: Dan Folke, Planning Director *DF*

FROM: Reggie Eccleston, Code Compliance Officer *RE*

RE: Application for Liquor License #12033404
1800 South Milton Road, Ste. #15, Flagstaff, Arizona 86001
Assessor's Parcel Number 103-22-004D
Jared Michael Repinski on behalf of My Pita Wrap

This application is a request for a new, Series 12 Restaurant liquor license, by Jared Michael Repinski on behalf of My Pita Wrap. This restaurant is located within the Highway Commercial district. This district does allow for this use.

There are no active Zoning Code violations associated with the applicant or the property at this time.

This liquor license is recommended for approval.

Liquor License Memo

To: Stacy Saltzberg, Deputy City Clerk
From: Sandy Corder, Interim Revenue Director
Date: June 21, 2016
Re: Series 12 Liquor License – My Pita Wrap

I have reviewed the records for Bananaland Play & Cafe, LLC, dba My Pita Wrap and I have no objection to approval of this liquor license.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Scott Mansfield, Police Lieutenant
Co-Submitter: Stacey Brechler-Knaggs
Date: 06/08/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Grant Agreement: U.S. Department of Justice, Edward Byrne Justice Assistance, through the Arizona Criminal Justice Commission, Drug, Gang, and Violent Crime Control Grant in the amount of \$280,507.00 for the Northern Arizona Street Crimes Task Force (METRO unit).

RECOMMENDED ACTION:

Approve the acceptance of the grant from the U.S. Department of Justice, Edward Byrne Justice Assistance through the Arizona Criminal Justice Commission Grant in the amount of \$280,507.00 for FY2017.

Executive Summary:

The City of Flagstaff was awarded \$280,507.00 in grant funds from the U.S. Department of Justice, Edward Byrne Justice Assistance, through the Arizona Criminal Justice Commission, for the Drug, Gang, and Violent Crime Control Grant. This grant funds one Flagstaff Police Sergeant, one Flagstaff Police investigator, and one Coconino County Sheriff's Deputy investigator. There is no cost to the City of Flagstaff.

Financial Impact:

The grant award is in the amount of \$210,381.00 (75%) with required matching funds of \$70,126.00 (25%) for a total grant award of \$280,507.00. The METRO board has authorized matching funds from the Rico account. The Rico account has provided matching funds in the past years and the board has agreed to provide the above matching funds for this year's grant. This amount will include all city costs, estimated in-kind and administrative costs if above normal departmental allocation. The grant award will be the 30th funding cycle (FY 2017) for the METRO unit. This grant is budgeted in Fiscal Year 2017.

Connection to Council Goal and/or Regional Plan:

- Effective Governance
- Regional Plan (2030) - Planning, Public Safety, Goal PF.3 Provide high-quality emergency response and public safety services.

Has There Been Previous Council Decision on This:

Yes, the Flagstaff City Council has approved the acceptance of this grant money for the past twenty nine years.

Options and Alternatives:

Approve the acceptance of the grant or decline the acceptance of the grant.

Background/History:

As previously stated, this is the 30th cycle of this grant in which the Flagstaff City Council has approved the previous 29 cycles.

Key Considerations:

This grant and the investigative officers this funds is supported by nearly every law enforcement entity in Coconino County including the Coconino County Sheriff's Office, The Flagstaff Police Department, Northern Arizona University Police, ATF, FBI, DEA and the Department of Public Safety. This grant provides specialized police investigations to all the communities located within Coconino County.

Community Benefits and Considerations:

Officers in the METRO Unit continuously provide support to numerous community groups including Citizens Against Substance Abuse, local schools, Citizens Academy programs, etc. in the form of training and educational presentations, drug awareness, and proactive investigations.

Community Involvement:

To work directly with the public through the process to ensure that public issues and concerns are consistently understood and considered.

Expanded Options and Alternatives:

If approved the grant would allow for the acceptance of \$280,507.00 in federal funds that will provide proactive enforcement that would otherwise not be available to our citizens.

Attachments: ACJC Grant Agreement #DC-17-002



ARIZONA CRIMINAL JUSTICE COMMISSION
DRUG, GANG, AND VIOLENT CRIME CONTROL
GRANT AGREEMENT

ACJC Grant Number DC-17-002
Catalog of Federal Domestic Assistance (CFDA) Number 16.738

This Grant Agreement is made this 7th day of June, 2016, by and between the ARIZONA CRIMINAL JUSTICE COMMISSION hereinafter called "COMMISSION" and CITY OF FLAGSTAFF, through CITY OF FLAGSTAFF hereinafter called "GRANTEE". The COMMISSION enters into this Agreement pursuant to its authority under the provisions of A.R.S. § 41-2405 (B)(6), and having satisfied itself as to the qualification of GRANTEE;

NOW, THEREFORE, it is agreed between the parties as follows:

1. This Agreement will commence on July 1, 2016 and terminate on June 30, 2017. This Agreement expires at the end of the award period unless prior written approval for an extension has been obtained from the COMMISSION. A request for an extension must be received by the COMMISSION sixty (60) days prior to the end of the award period. The COMMISSION in its sole discretion may approve an extension that furthers the goals and objectives of the program and shall determine the length of any extension.
2. GRANTEE agrees that grant funds will be used in accordance with applicable program rules, guidelines and special conditions.
3. The COMMISSION will monitor GRANTEE performance against program goals and performance standards and those outlined in the grant application. Substandard performance as determined by the COMMISSION will constitute noncompliance with this Agreement. If the COMMISSION finds noncompliance, the GRANTEE will receive a written notice which identifies the area of noncompliance, and the appropriate corrective action to be taken. If the GRANTEE does not respond within thirty (30) calendar days to this notice, and does not provide sufficient information concerning the steps which are being taken to correct the problem, the COMMISSION may suspend funding, permanently terminate this Agreement or revoke the grant.
4. Any deviation or failure to comply with the purpose and/or conditions of this Agreement without prior written COMMISSION approval may constitute sufficient reason for the COMMISSION to terminate this Agreement, revoke the grant, require the return of all unspent funds, perform an audit of expended funds, and require the return of any previously spent funds which are deemed to have been spent in violation of the purpose or conditions of this grant.
5. This Agreement may be modified only by a written amendment signed by the Executive Director or by persons authorized by the Executive Director on behalf of the COMMISSION and GRANTEE. Any notice given pursuant to this Agreement shall be in writing and shall be considered to have been given when actually received by the following addressee or their agents or employees:

A. If to the COMMISSION:

Arizona Criminal Justice Commission
1110 W. Washington Street, Suite 230
Phoenix, Arizona 85007
Attn: Program Manager

B. If to the GRANTEE:

City of Flagstaff
 211 W Aspen Avenue
 Flagstaff, Arizona 86001
 Attn: **Mr. Josh Copley**

6. For grant awards above \$100,000, GRANTEE may make budget adjustments of up to ten (10) percent of the total grant within any approved budget category excluding equipment. Written approval from the COMMISSION in advance is required if GRANTEE wishes to make adjustments or reprogram in excess of ten (10) percent or if GRANTEE wishes to purchase equipment not previously approved.

For grant awards less than \$100,000, the GRANTEE may make budget adjustments within approved categories excluding equipment as long as there are no changes to the purpose or scope of the project. If GRANTEE wishes to purchase equipment not previously approved, written approval from the COMMISSION in advance is required.

APPROVED LINE ITEM PROGRAM BUDGET	
Personnel:	
Salaries	\$133,836.00
Fringe Benefits (for salaries/overtime)*	\$82,711.00
Overtime	NOT APPROVED
Professional & Outside/Consultant & Contractual Services	\$63,960.00
Travel In-State	NOT APPROVED
Travel Out-of-State	NOT APPROVED
Confidential Funds	NOT APPROVED
Operating Expenses:	
Supplies	NOT APPROVED
Registration/Training	NOT APPROVED
Other	NOT APPROVED
Equipment	
Capital	NOT APPROVED
Noncapital	NOT APPROVED
TOTAL	\$280,507.00
Positions Funded:	
Flagstaff PD Sergeant (.95 FTE), Flagstaff PD Investigator (1.00 FTE), Coconino County SO Investigator (.75 FTE)	
Equipment Type: NOT APPROVED	

*Reference the ACJC Grant Management Manual for definition of approved Fringe Benefit

7. The total to be paid by the COMMISSION under this Agreement shall not exceed \$115,009.00 in federal funds awarded to the COMMISSION by the U.S. Department of Justice (USDOJ), Office of Justice Programs (OJP) and \$95,372.00 in State Funds. If this grant has a matching requirement GRANTEE understands that other federal grant funds cannot be used as a match for this grant. The matching amount for this award is \$70,126.00.
8. Every payment obligation of the COMMISSION under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the COMMISSION. No liability shall accrue to the COMMISSION in the event this provision is exercised, and the COMMISSION shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

9. GRANTEE agrees that if it currently has an open award of federal funds or if it receives an award of federal funds other than this award, and those award funds have been, are being or are to be used, in whole or in part, for one or more of the identical cost items for which funds are being provided under this award, GRANTEE will promptly notify, in writing, the COMMISSION, and if so requested by the COMMISSION, seek a budget modification or change-of-project-scope grant adjustment notice (GAN) to eliminate any inappropriate duplication of funding.
10. GRANTEE agrees to retain all books, account reports, files and other records, (paper and/or electronic) relating to this Agreement and the performance of this Agreement for no less than five (5) years from the last financial report submitted to the COMMISSION. All such documents shall be subject to inspection and audit at reasonable times, including such records of any subgrantee, contractor, or subcontractor. GRANTEE also understands and agrees that USDOJ and the United States General Accounting Office (USGAO) are authorized to interview any officer or employee of the GRANTEE (or of any subgrantee, contractor, or subcontractor) regarding transactions related to this award.
11. GRANTEE agrees that activities funded under this award will be closely coordinated with related activities supported with Office of Justice Programs (OJP), State, local or tribal funds. Grant funds may only be used for the purposes in the GRANTEE's approved application. GRANTEE shall not undertake any work or activities not described in the grant application, including staff, equipment, or other goods or services without prior approval from the COMMISSION.
12. GRANTEE agrees to track, account for, and report on all funds (including specific outcomes and benefits) separately from all other funds for the same or similar purposes or programs.

Accordingly, the accounting systems of GRANTEE and all subgrantees must ensure that funds from this award are not commingled with funds from any other source.
13. GRANTEE agrees to abide by Federal and State laws and provide accounting, auditing and monitoring procedures to safeguard grant funds and keep such records to assure proper fiscal controls, management and the efficient disbursement of grant funds.
14. For the purpose of this grant, a capital expenditure is \$5,000 or above. If GRANTEE'S policy defines a capital expenditure as less than \$5,000, GRANTEE will use its own policy.
15. GRANTEE agrees to maintain property records for equipment purchased with grant funds and perform a physical inventory and reconciliation with property records at least every two years or more frequently based on GRANTEE policy. GRANTEE agrees that funds will not be used for the construction of new facilities.
16. GRANTEE agrees to follow equipment disposition policies outlined in *OMB Circulars A-102 or 2 CFR, Part 215 Uniform Administrative Requirements for Grants and Cooperative Agreements* as codified in (1) 28 CFR, Part 66 or (2) 28 CFR, Part 70 when the equipment is no longer needed for the grant program.
Link: *OMB Circulars* http://www.whitehouse.gov/omb/grants_attach/
17. GRANTEE agrees that all salaried personnel (including subgrantee personnel) whose activities are to be charged to the award will maintain timesheets or certifications to document hours worked for activities related to this award and non-award related activities. GRANTEE agrees to keep time and attendance sheets for hourly employees signed by the employee and supervisory official having firsthand knowledge of the work performed by the grant-funded employees.
18. GRANTEE agrees that it will submit financial and activity reports to the COMMISSION in a format provided by the COMMISSION, documenting the activities supported by these grant funds and

providing an assessment of the impact of these activities which may include documentation of project milestones. In the event reports are not received on or before the indicated date(s), funding may be suspended until such time as delinquent report(s) are received.

19. These reports are to be submitted according to the following schedule(s):

ACTIVITY REPORTS	
Report Period:	Due Date:
July 1 to September 30	October 15
October 1 to December 31	January 15
January 1 to March 31	April 15
April 1 to June 30	July 15

FINANCIAL REPORTS			
Report Period:	Due Date:	Report Period:	Due Date:
July 1 – July 31	August 25	January 1 – January 31	February 25
August 1 – August 31	September 25	February 1 – February 29	March 25
September 1 – September 30	October 25	March 1 – March 31	April 25
October 1 – October 31	November 25	April 1 – April 30	May 25
November 1 – November 30	December 25	May 1 – May 31	June 25
December 1 – December 31	January 25	June 1 – June 30	July 25

Additional reporting requirements may be required for GRANTEES who are considered high risk.

20. GRANTEE understands that financial reports are required as an accounting of expenditures for either reimbursement or COMMISSION-approved advance payments.
21. The final request for reimbursement of grant funds must be received by the COMMISSION no later than sixty (60) days after the last day of the award period.
22. All goods and services must be received or have reasonable expectations thereof and placed in service by GRANTEE by the expiration of this award.
23. GRANTEE agrees that all encumbered funds must be expended and that goods and services must be paid by GRANTEE within sixty (60) days of the expiration of this award.
24. GRANTEE agrees to remit all unexpended grant funds to the COMMISSION within thirty (30) days of written request from the COMMISSION.
25. GRANTEE agrees to account for interest earned on federal grant funds and shall remit interest earned in excess of the allowable amount as indicated in the *Office of Justice Programs Financial Guide*.
Link: *OJP Financial Guide* <http://www.ojp.usdoj.gov/financialguide/>
26. GRANTEE agrees to obtain written COMMISSION approval for all sole source procurements in excess of \$150,000.
27. GRANTEE agrees to obtain written COMMISSION approval prior to the expenditure of grant funds for consultant fees in excess of \$650 per day.
28. GRANTEE agrees to not use federal grant funds to pay cash compensation (salary plus bonuses) to any employee paid by the grant at a rate that exceeds 110% of the maximum annual salary

payable to a member of the federal government's Senior Executive Service (SES) at an agency with a Certified SES Performance Appraisal System for that year. (An award recipient may compensate an employee at a higher rate, provided the amount in excess of this compensation limitation is paid with non-federal funds.) Unless otherwise noted in the grant solicitation.

29. GRANTEE agrees not to use grant funds for food and/or beverage unless explicitly approved in writing by the COMMISSION.
30. GRANTEE agrees to comply with all applicable laws, regulations, policies and guidance (including specific cost limits, prior approvals and reporting requirements, where applicable) governing the use of grant funds for expenses related to conferences, meetings, trainings, and other events, including the provision of food and/or beverages at such events, and costs of attendance at such events unless explicitly approved in writing by the COMMISSION. Information on pertinent laws, regulations, policies, and guidance is available in the OJP Financial Guide Conference Cost Chapter.
31. No funds shall be used to supplant federal, state, county or local funds that would otherwise be made available for such purposes. Supplanting means the deliberate reduction of state or local funds because of the existence of any grant funds.
32. GRANTEE assigns to the COMMISSION any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services applied by third parties to GRANTEE in exchange for grant funds provided under this Agreement.
33. The parties agree to use arbitration in the event of disputes in accordance with the provisions of A.R.S. § 12-1501-12-1518. The laws of the State of Arizona apply to questions arising under this Agreement and any litigation regarding this Agreement must be maintained in Arizona courts, except as pertaining to disputes which are subject to arbitration.
34. GRANTEE understands that grant funds may not be released until all delinquent reports and reversion of funds from prior grants are submitted to the COMMISSION.
35. GRANTEE agrees that grant funds are not to be expended for any indirect costs that may be incurred by GRANTEE for administering these funds unless explicitly approved in writing by the COMMISSION. This may include, but is not limited to, costs for services such as accounting, payroll, data processing, purchasing, personnel, and building use which may have been incurred by the GRANTEE.
36. Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses, (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. If the GRANTEE is a State agency, board, commission, or university of the State of Arizona, this paragraph shall not apply.
37. Should GRANTEE utilize a contractor(s) and subcontractor(s) the indemnification clause between GRANTEE and its contractor(s) and subcontractor(s) shall include the following:

Contractor shall defend, indemnify, and hold harmless the GRANTEE and the State of Arizona, and any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim

processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Additionally on all applicable insurance policies, contractor and its subcontractors shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as an additional insured and also include a waiver of subrogation in favor of the State. Insurance requirements for any contractor used by GRANTEE are incorporated herein by this reference and attached to this Agreement as Exhibit "A".

38. GRANTEE agrees to notify the COMMISSION within ten (10) days in the event that the project official is replaced during the award period.
39. No rights or interest in this Agreement shall be assigned by GRANTEE without prior written approval of the COMMISSION.
40. GRANTEE will comply with the audit requirements of *OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and provide the COMMISSION with the audit report and any findings within 90 days of receipt of such finding. If the report contains no findings, the GRANTEE must provide notification that the audit was completed.
Link: *OMB Circulars:* http://www.whitehouse.gov/omb/grants_attach/
41. GRANTEE certifies that it will comply with *OMB Circulars A-102 and 2 CFR, Part 215 Uniform Administrative Requirements for Grants and Cooperative Agreements* as codified in (1) 28 CFR, Part 66.32 or (2) 28 CFR, Part 70.34 and *Cost Principles (1) 2 CFR, Part 225, (2) 2 CFR, Part 220 or (3) 2 CFR, Part 230*, the OJP Financial Guide and the most current version of the ACJC Grant Management Reference Manual.
Link: *OMB Circulars* http://www.whitehouse.gov/omb/grants_attach/
OJP Financial guide: <http://www.ojp.usdoj.gov/financialguide/>
ACJC Grant Management Reference Manual:
http://www.azcjc.gov/ACJC.Web/pubs/home/021104_Manual_GrantReferenceManual.pdf
42. GRANTEE agrees that it cannot use any federal funds, either directly or indirectly, in support of any contract or sub award to either the Association of Community Organizations for Reform Now (ACORN) or its subsidiaries, without the express written approval of the Office of Justice Programs through the COMMISSION.
43. GRANTEE understands and agrees that misuse of award funds may result in a range of penalties, including suspension of current and future funds, suspension or debarment from federal grants, recoupment of monies provided under an award, and civil and/or criminal penalties.
44. GRANTEE agrees not to do business with any individual, agency, company or corporation listed in the Excluded Parties Listing Service.
Link: *System for Award Management* <https://www.sam.gov/portal/public/SAM/>

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45. GRANTEE agrees to ensure that, no later than the due date of the GRANTEE's first financial report after the award is made, GRANTEE and any subgrantees have a valid DUNS profile and active registration with the System for Award Management (SAM) database.
46. GRANTEE certifies that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement.
47. GRANTEE understands and agrees that any training or training materials developed or delivered with funding provided under this award must adhere to the *OJP Training Guide Principles for Grantees and Subgrantees*.
Link: *OJP Training Guide Principles for Grantees and Subgrantees*
<http://www.ojp.usdoj.gov/funding/ojptrainingguidingprinciples.htm>
48. GRANTEE agrees to cooperate and participate with any and all assessments, evaluation efforts or information and data collection requests, and acknowledges that the federal or state grantor agency has the right to obtain, reproduce, publish or use data provided under this award and may authorize others to receive and use such information.
49. GRANTEE shall provide the COMMISSION with a copy of all interim and final reports and proposed publications (including those prepared for conferences and other presentations) resulting from this Agreement. Submission of such materials must be prior to or simultaneous with their public release.
50. GRANTEE agrees that any publications (written, visual, or sound) excluding press releases and newsletters, whether published at the GRANTEE'S or COMMISSION'S expense, shall contain the following statement:

"This was supported by Award No. 2014-DJ-BX-1020 and 2015-DJ-BX-1070 awarded by the Bureau of Justice Assistance, Office of Justice Programs, U.S. Department of Justice. The opinions findings, and conclusions or recommendations expressed in this publication/program/exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice."

51. GRANTEE agrees to comply with the non-discrimination requirements of the Omnibus Crime Control and Safe Streets Act of 1968, 42 USC §3789d(c)(1); Title VI of the Civil Rights Act of 1964, 42 USC §2000d; Section 504 of the Rehabilitation Act of 1973, 29 USC § 794; Subtitle A, Title II of the Americans with Disabilities Act of 1990, 42 USC § 12132; Title IX of the Education Amendments of 1972, 20 USC § 1681; the Age Discrimination Act of 1975, 42 USC § 6102; the Department of Justice implementing regulations, 28 CFR pt. 42, subpts. C, D, E, G, and I, 28 CFR pt. 35, and 28 CFR pt. 54; all applicable state laws of A.R.S. § 41-1463; and Executive Order 2009-9. The above-referenced federal laws prohibit discrimination on the basis of race, color, religion, sex, disability, and national origin (including limited English proficiency) in the delivery of services and employment practices, and prohibit discrimination on the basis of age in the delivery of services. If in the three years prior to the date of the grant award a Federal or State Court or Federal or State administrative agency makes a finding of discrimination after a due process hearing against GRANTEE, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.

"Applicants must certify that Limited English Proficiency persons have meaningful access to the services under this program(s). National origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI and the Safe Street Act, the applicant is required to take reasonable steps to ensure that LEP persons have meaningful access to programs. Meaningful access may entail providing language assistance services, including oral and written translation when necessary."

Link: *Limited English Proficiency A Federal Interagency Website* <http://www.LEP.gov>

52. GRANTEE agrees to comply with the applicable requirements of 28 CFR Part 38, the Department of Justice regulation governing "Equal Treatment for Faith Based Organizations" (the "Equal Treatment Regulation"). The Equal Treatment Regulation provides in part that Department of Justice financial assistance may not be used to fund any inherently religious activities, such as worship, religious instruction, or proselytization. Recipients of Department of Justice financial assistance may still engage in inherently religious activities, but such activities must be separate in time or place from the Department of Justice funded program, and participation in such activities by individuals receiving services from GRANTEE must be voluntary. The Equal Treatment Regulation also makes clear that organizations participating in programs receiving financial assistance from the Department of Justice are not permitted to discriminate in the provision of services on the basis of a beneficiary's religion. Notwithstanding any other special condition of this award, faith-based organizations may, in some circumstances, consider religion as a basis for employment.

Link: http://www.ojp.usdoj.gov/about/ocr/equal_fbo.htm

53. GRANTEE should be mindful that the misuse of arrest or conviction records to screen either applicants for employment or employees for retention or promotion may have a disparate impact based on race or national origin, resulting in unlawful employment discrimination. As of June 2013 OJP has issued an advisory that grantees should consult local counsel in reviewing their employment practices. If warranted, grantees should also incorporate an analysis of the use of arrest and conviction records in their Equal Employment Opportunity Plan (EEOP). See Advisory for Recipients of Financial Assistance from the U.S. Department of Justice on the U.S. Equal Employment Opportunity Commission's Enforcement Guidance: Consideration of Arrest and Conviction Records in Employment Decisions Under Title VII of the Civil Rights Act of 1964 (June 2013), available at http://www.ojp.gov/about/ocr/pdfs/UseofConviction_Advisory.pdf.
54. GRANTEE assures that it will comply with all state and federal laws regarding privacy during the course of the award. All information relating to clients is to be treated with confidentiality in accordance with 42 USC section 3789g or 42 USC 14132(b)(3) that are applicable to the collection, disclosure, use and revelation of data information. GRANTEE further agrees to submit a privacy Certificate that is in accordance with requirements of 28 CFR Part 22 if applicable to the program.
55. GRANTEE agrees to formulate and keep on file an EEOP (if GRANTEE is required pursuant to 28 CFR 42.302). GRANTEE certifies that they have forwarded to the Office for Civil Rights, Office of Justice Programs the EEOP, or certifications that they have prepared and have on file an EEOP, or that they are exempt from EEOP requirements. Failure to comply may result in suspension of grant funds. Copies of all submissions such as certifications to or correspondence with the Office for Civil Rights, Office of Justice Programs regarding this requirement must be provided to the COMMISSION by GRANTEE. In the event a federal or state court or federal or state administrative agency makes an adverse finding of discrimination against GRANTEE after a due process hearing, on the ground of race, color, religion, national origin, or sex, GRANTEE will forward a copy of the findings to the Office for Civil Rights, Office of Justice Programs and the COMMISSION.
56. GRANTEE agrees to participate in any required civil rights related training to ensure compliance with all federal and state civil rights laws. GRANTEE will inform the COMMISSION of the position responsible for civil rights compliance and will inform the COMMISSION of change in personnel responsible for civil rights compliance within ten days.
- Link:** <http://azcjc.gov/ACJC.Web/Grants/civilrights/default.aspx>
57. To support public safety and justice information sharing, GRANTEE, if a governmental subdivision, shall use the National Information Exchange Model (NIEM) specifications and guidelines for this grant. GRANTEE shall publish and make available without restrictions all

schemas generated as a result of this grant to the component registry as specified in the guidelines.

Link: <https://www.niem.gov/aboutniem/grant-funding/Pages/implementation-guide.aspx>

58. In order to promote information sharing and enable interoperability among disparate systems across the justice and public safety community, OJP requires the grantee to comply with DOJ's Global Justice Information Sharing Initiative (DOJ's Global) guidelines and recommendations for this particular grant. Grantee shall conform to the Global Standards Package (GSP) and all constituent elements, where applicable, as described at:

Link: http://www.it.ojp.gov/gsp_grantcondition.

Grantee shall document planned approaches to information sharing and describe compliance to the GSP and appropriate privacy policy that protects shared information, or provide detailed justification for why an alternative approach is recommended.

59. To avoid duplicating existing networks or IT systems in any initiatives for law enforcement information sharing systems which involve interstate connectivity between jurisdictions, such systems shall employ, to the extent possible, existing networks as the communication backbone to achieve interstate connectivity, unless GRANTEE can demonstrate to the satisfaction of the COMMISSION that this requirement would not be cost beneficial or would impair the functionality of an existing or proposed IT system.
60. If GRANTEE is a governmental political subdivision, the GRANTEE should, to the extent possible and practical; share criminal justice information with other authorized criminal justice agencies. The process control number (PCN) shall be used in accordance with A.R.S. § 41-1750 when sharing data with other criminal justice agencies as electronic data systems are developed or improved.
61. If GRANTEE is a state agency and the award is for the development of information technology projects for more than \$25,000, GRANTEE must complete a Project Investment Justification (PIJ) and submit the justification to the Arizona Department of Administration (ADOA), with a copy to the COMMISSION. GRANTEE agrees to submit required project status reports to ADOA by the due dates and submit copies to the COMMISSION.

If GRANTEE is not a state agency and the award is for the development of information technology projects, GRANTEE will follow local technology policies and guidelines.

62. GRANTEE must promptly refer to the COMMISSION any credible evidence that a principal, employee, agent, contractor, subgrantee, or other person has either 1) submitted a false claim for grant funds under the False Claims Act; or 2) committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving grant funds. The COMMISSION shall forward the referral to the Department of Justice, Office of the Inspector General.
63. The COMMISSION encourages GRANTEE to establish workplace safety policies and conduct education, awareness and other outreach to decrease crashes caused by distracted drivers, including adopting and enforcing policies banning employees from text messaging while driving any vehicle during the course of performing work funded by this grant. Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving," 74 Fed. Reg. 51225 (October 2009).
64. GRANTEE certifies to comply with the Drug-Free Workplace Act of 1988, and implemented in 28 CFR Part 83, Subpart F, for grantees, as defined in 28 CFR, Part 83 Sections 83.620 and 83.650.

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65. GRANTEE agrees to complete and keep on file, as appropriate, Immigration and Naturalization Form (I-9). This form is to be used by recipients to verify that persons are eligible to work in the United States. Additionally GRANTEE ensures compliance with A.R.S. § 41-4401 federal immigration laws by state employers and contractors.
 66. GRANTEE acknowledges that immigration laws require them to register and participate with the E-Verify program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this state. GRANTEE warrants that they have registered with and participate with E-Verify. If the GRANTOR later determines that the GRANTEE has not complied with E-Verify, it will notify the non-compliant GRANTEE by certified mail of the determination and of the right to appeal the determination.
 67. GRANTEE certifies that no federal funds will be paid, by or on behalf of, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and for the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal funds are paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal award, grant loan, or cooperative agreement, the GRANTEE will complete and submit to the COMMISSION Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.
 68. GRANTEE understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy at any level of government, without the express prior written approval of the Commission.
 69. GRANTEE agrees that no funds provided, or personnel employed under this Agreement shall be in any way, or to any extent, engaged in conduct of political activities in violation of USC Title 5, Part II, Chapter 15, section 1502.
 70. GRANTEE understands and agrees that award funds may not be used to discriminate against or denigrate the religious or moral beliefs of students who participate in programs for which financial assistance is provided from those funds, or of the parents or legal guardians of such students.
 71. GRANTEE understands and agrees that- (a) no award funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading and exchanging or pornography, and (b) nothing in subsection (a) limits the use of funds necessary for any Federal, State, tribal or local law enforcement agency or any other entity carrying out criminal investigations, prosecution, or adjudication activities.
 72. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funded under this award. Additional requirements may be found in Grant Agreement Continuation Sheet.
 73. GRANTEE agrees that all income generated as a direct result of this award shall be deemed program income. All program income must be accounted for and used for the purpose under the conditions applicable for the use of funds under this award, including the effective edition of the OJP Financial Guide and, as applicable, either (1) 28 CFR part 66 or (2) 28 CFR part 70 and OMB Circular A-102 & 2 CFR 215.

74. This Agreement is subject to cancellation pursuant to the provision of A.R.S. § 38-511. This Agreement may also be cancelled at the COMMISSION'S discretion if not returned with authorized signatures to the COMMISSION within 90 days of commencement of the award.
75. If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall be in full force and effect.
76. GRANTEE agrees to comply with all Special Condition(s) included with this Agreement on the Grant Agreement Continuation Sheet.
77. GRANTEE understands that grant funds may not be released until GRANTEE is compliant with all requirements of grant agreement.

Arizona Criminal Justice Commission
DRUG, GANG, AND VIOLENT CRIME CONTROL
GRANT AGREEMENT CONTINUATION SHEET
SPECIAL CONDITION(S)

1. GRANTEE must verify Agency Point of Contact (APOC), Financial Point of Contact (FPOC), Program Point of Contact (PPOC), and Authorized Official contact information in the Grants Management System (GMS), including telephone number and e-mail address. If any information is incorrect or has changed, a Grant Adjustment Notice (GAN) must be submitted via the GMS to document changes. In addition the FPOC and PPOC must be assigned by the APOC prior to payments being made.
2. GRANTEE agrees that within 120 days of award, for any law enforcement task force funded with these funds, the task force commander, agency executive, task force officers and other task force members of equivalent rank, will complete required online (internet-based) task force training to be provided free of charge through BJA's Center for Task Force Integrity and Leadership (www.ctfli.org). Task force members need only take the training once every four years. GRANTEE will compile and maintain a task force personnel roster and course completion certificates.
3. GRANTEE agrees to the completion of the ACJC Subgrantee Self-Assessment Questionnaire within 45 days of the start date of this award.
4. GRANTEE agrees that within 45 days of award, for any agency that receives income as a result of grant-funded activities, it will complete the ACJC Program Income Worksheet.
5. GRANTEE agrees to the completion of the Benchmarks Worksheet within 45 days of award.
6. GRANTEE agrees to the completion of the Budget Detail Worksheet reflecting the overall budget within 45 days of award.
7. GRANTEE assures if they are a state agency that the State Information Technology Point of Contact receive written notification regarding any information technology project funded by this grant. GRANTEE agrees to keep on file documentation showing that it has met this requirement.
8. GRANTEE agrees and understands that funded activities may require the preparation of an Environmental Assessment (EA) as defined by the Council of Environmental Quality's Regulations for implementing the Procedural Provisions of the National Environmental Policy Act (NEPA), found at 40 CFR Part 1500.
9. GRANTEE agrees to comply with all federal, state and local environmental laws and regulations applicable to the development and implementation of activities to be funded under this award. The GRANTEE agrees and understands that complying with NEPA may require the preparation of an Environmental Assessment and/or an Environmental Impact Statement, as directed by BJA. The GRANTEE further understands and agrees to requirements for implementation of a Mitigation Plan, as detailed at <http://www.ojp.usdog.gov/BJA/resource/nepa.html> for programs relating to methamphetamine laboratory operations.
10. GRANTEE agrees that any information technology system developed or supported by funds will comply with 28 CFR Part 23, Criminal Intelligence Systems Operating Policies, if OJP determines this regulation be applicable. Should OJP determine 28 CFR Part 23 to be applicable, OJP may at its discretion, perform audits of the system, as per 28 CFR 23.20(g).

Should any violation of 28 CFR Part 23 occur, GRANTEE may be fined as per 42 USC 3789g(c)-(d). GRANTEE may not satisfy such a fine with federal funds.

11. GRANTEE agrees that no JAG funds may be expended on unmanned aircraft, unmanned aircraft systems, or aerial vehicles (US, UAS, or UAV) without prior express written approval from Commission.
12. Grant funds shall be used to reduce drug crimes in support of the Arizona 2016-2019 Drug, Gang, and Violent Crime Control State Strategy.

Authorized Official Initials: _____

IN WITNESS WHEREOF, the parties have made and executed the Agreement the day and year first above written.

FOR GRANTEE:

Authorized Signatory

Date

Printed Name and Title

Approved as to form and authority to enter into Agreement:

Legal counsel for GRANTEE

Date

Printed Name and Title

Statutory or other legal authority to enter into Agreement:

Appropriate A.R.S., ordinance, or charter reference

FOR CRIMINAL JUSTICE COMMISSION:

John A. Blackburn Jr., Executive Director
Arizona Criminal Justice Commission

Date



ARIZONA CRIMINAL JUSTICE COMMISSION GRANT AGREEMENT

Insurance Requirements Exhibit "A"

Insurance Requirements for Governmental Parties to a Grant Agreement:

None.

Insurance Requirements for Any Contractors Used by a Party to the Grant Agreement:

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.)
The *insurance requirements* herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Fire Legal Liability \$50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

Exhibit "A" Page 2

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to each contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

Additional Insurance Requirements:

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).

Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

Notice of Cancellation:

For each insurance policy required by the insurance provisions of this Contract, the Contractor must provide to the State of Arizona, within two (2) business days of receipt, a notice if a policy is suspended,

voided, or cancelled for any reason. Such notice shall be mailed, emailed, hand delivered or sent by facsimile transmission to (Enter Contracting Agency Representative's Name, Address, and Fax Number Here).

Acceptability of Insurers:

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

Verification of Coverage:

Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All certificates and endorsements, as required by this written agreement, are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

Subcontractors:

Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of the Contract, proof from the Contractor that its subcontractors have the required coverage.

Approval and Modifications:

The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

Exceptions:

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance. If the Contractor or subcontractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Steven Hill, Streets Leadworker
Co-Submitter: Eileen Brown
Date: 06/01/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Purchase: Purchase of a Highway Striper Paint Truck from Vogel Traffic Services, Inc. dba EZ-Liner Industries Truck utilizing the Maricopa County Contract Number 13118-C in the amount of \$408,209 plus applicable taxes and fees.

RECOMMENDED ACTION:

Approve the purchase of one (1) EZ-Liner Model AL500-EZ highway paint striper truck from EZ-Liner in Orange City, Iowa. The Maricopa County contract price of the EZ-Liner paint striper is \$400,279. The upgrades, modifications and spare parts for operation in Flagstaff is an additional \$19,930. The trade in value (credit) of the 1999 paint striper truck is \$12,000. The total purchase price for the EZ-Liner striper truck after the trade in value is applied is \$408,209 plus any applicable taxes and fees.

Executive Summary:

Purchase of new EZ-Liner Model AL500-EZ highway paint striper truck to replace the 1999 EZ-Liner Model AL240-EZ.. Public Works staff and Fleet Committee have reviewed the condition of the current equipment and recommend replacement to allow Public Works Street Section to maintain its current level of service in a cost effective manner.

Financial Impact:

The Streets Section has budgeted funds of \$487,000 in Fiscal Year 2017 for the purchase of a paint striper truck in account number 040-06-161-0613-6-4401.

The Maricopa County contract price of the EZ-Liner paint striper is \$400,279. The upgrades, modification and spare parts for operation in Flagstaff is an additional \$19,930. The trade in value of the 1999 paint striper truck is \$12,000. The total purchase price for the EZ-Liner striper truck after the trade in value is applied is \$408,209 plus any applicable taxes and fees.

Connection to Council Goal and/or Regional Plan:

Provide a well-managed transportation system

Has There Been Previous Council Decision on This:

No

Options and Alternatives:

Option 1: Approve purchase of the EZ-Liner truck utilizing the Maricopa County contract/bid for the amount of \$408, 209 plus applicable taxes and fees. Approval is expected to result in delivery of a new striper truck by February 28, 2017.

Option 2: Continue to use the existing 1999 paint striper truck. This has and will continue to result in diminished levels of service for the street marking program.

Background/History:

The city's current paint striper truck is a 1999 model with a history of ongoing major and minor mechanical and paint system breakdowns.

Much of the equipment on the truck is obsolete, and replacement parts are difficult, costly, and time consuming to obtain.

Key Considerations:

Given the limited time frame available each year in Flagstaff to paint roadway marking, it has become increasingly difficult for the Streets Section to annually renew all roadway markings due to the unreliability of the current truck. Increased costs of equipment acquisition have made intergovernmental cooperative purchase agreements a viable alternative when the desired equipment can be obtained, while still maintaining a fair and equitable procurement process. Volume pricing, expedited build times and delivery provide value to the purchaser. We are utilizing a cooperative agreement pursuant to Article 20 of the City of Flagstaff Procurement Manual

Community Benefits and Considerations:

Community benefits include improved public safety and continued consistent quality transportation infrastructure. In addition, having modern, clean and efficient equipment with the most advanced emission control and fuel saving technology in our fleet portrays a positive image to the community we serve.

Community Involvement:

Inform

Option 1: Approve purchase of the EZ-Liner truck utilizing the Maricopa County contract/bid for the amount of \$408,209 plus applicable taxes and fees. Approval is expected to result in delivery of a new striper truck by February 28, 2017.

Attachments:

- [Proposal](#)
- [Maricopa County Contract](#)
- [Cooperative Purchase Agreement](#)



PO Box 140, Orange City, IA 51041
Ph: 712-737-4016 Fax: 712-737-4148

May 31, 2016

City of Flagstaff
Attn: Steven Hill, Traffic Section Supervisor
500 N. Aztec
Flagstaff, AZ 86001

Re: Purchase of an EZ-Liner Model AL500-EZ Paint Truck using Maricopa
County, AZ Contract No. 13118-C Highway Striper Truck

Dear Mr. Hill,

Thank you for the opportunity to provide a price quote for a new highway paint striping truck for the City of Flagstaff. Vogel Traffic Services, Inc. dba EZ-Liner Industries has a current contract with Maricopa County that the County will allow other government entities to purchase from.

Maricopa County's current Contract for Highway Striper Truck No. 13118-C is valid through October 31, 2017. **The current contract amount is \$396,750.00.** Rush Truck Center-Phoenix will honor their price on the Peterbilt Model 320 chassis as long as the chassis is built prior to December 15, 2016.

The Model SM-5 timer system for the paint striping body is being phased out by Skip-Line, Inc. The manufacturer will stop making this model May 31, 2016. Skip-Line, Inc. has replaced it with their Model SC-12. The additional cost for the Model SC-12 timer system is \$3,529.00. **That makes the updated contract amount with the Model SC-12 timer system \$400,279.00.**

The City of Flagstaff has requested that the following options be offered:

1. **Upgrade to the Auxiliary Engine & Air Compressor**-The Maricopa contract includes a Cummins Tier 3 85 hp auxiliary engine and a hydraulically driven 85 cfm @ 100 psi rotary screw air compressor. The City has requested an upgrade to a Boss Industries utility mount air compressor Model 210DUS with Interim Tier 4 (Tier 4I) John Deere diesel engine. This utility mount air compressor is rated at 210 cfm @ 100 psi. **The addition to the contract amount for the upgrade from a Cummins 85 hp Tier 3 auxiliary engine and an 85 cfm hydraulically driven rotary screw air compressor to a 210 cfm direct driven rotary screw air compressor with Interim Tier 4 (Tier 4I) engine is.....\$5,278.00.**

2. **Paint & Bead Gun Air Solenoids Installed in WP Enclosures**-The City has requested that the air solenoids for the paint and bead guns be installed in weatherproof enclosures. **The addition to the contract amount for installing the air solenoids in weatherproof enclosures is \$848.00 per gun carriage for a total amount of.....\$1,696.00.**
3. **Spare Parts Quote**-The City of Flagstaff has requested that the following spare parts be included in the purchase of their new paint truck:
 - a. (1) ARO Model PD20A-FSP-STT LP Paint Pump each.....\$5,853.00.
 - b. (1) Titan Model 445-345 HP Paint Pump.....\$7,103.00.
4. **Trade-in of City's Current Paint Truck**-The City has requested the trade-in of their 1997 EZ-Liner Model AL240-EZ S/N 1F97007TS mounted on a 1997 Model 7B042 GMC T-Series chassis with VIN 1GDM7C1J9VJ510043. The truck is to be operational when it is released to EZ-Liner. The truck will be available with the delivery of the City's new paint truck.
Trade-in amount toward purchase of new paint truck is.....(\$12,000.00)

Contract amount with requested changes is.....\$408,209.00

Prices do not include any applicable taxes or fees. This proposal is valid through July 31, 2016. After that date pricing will have to be reevaluated.

EZ-Liner has provided the following supporting documentation:

1. The Maricopa County Solicitation 13118-C "Highway Striper Truck" with related documentation for Contract No. 13118-C.
2. The Technical Literature packet provided with the Maricopa bid.
3. Technical Literature information on the above listed options.
4. Information on the Skip-Line, Inc. Model SC-12 timer system.

If additional information is needed, please contact Tom Schuur, Regional Sales Manager, at 402-677-9457 or myself at 712-737-4016, extension 11908.

EZ-Liner looks forward to working with the City of Flagstaff on the purchase of another paint striping truck and to continue the partnership of providing quality paint striping equipment supported by superior customer service!

Respectfully submitted,
EZ-LINER INDUSTRIES



Norm Scholten
Truck Project Manager

SERIAL 13118 C HIGHWAY STRIPER TRUCK

DATE OF LAST REVISION: September 18, 2015

CONTRACT END DATE: October 31, 2017

CONTRACT PERIOD THROUGH OCTOBER 31, ~~2014~~ 2017

TO: All Departments
FROM: Office of Procurement Services
SUBJECT: Contract for **HIGHWAY STRIPER TRUCK**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **October 31, 2013**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

Wes Baysinger, Chief Procurement Officer
Office of Procurement Services

NP/mm
Attach

Copy to: Office of Procurement Services
 Gidget Vigil, Equipment Services

**VOGEL TRAFFIC SERVICES INC. DBA: EZ-LINER INDUSTRIES 1920 ALBANY PL. SE BOX 140
ORANGE CITY, IOWA 51041****Attachment A**

COMPANY NAME:	<u>Vogel Traffic Services Inc.</u>
DOING BUSINESS AS (DBA) NAME:	<u>EZ-Liner Industries</u>
MAILING ADDRESS:	<u>PO Box 140, Orange City, Iowa 51041</u>
REMIT TO ADDRESS:	<u>PO Box 140, Orange City, Iowa 51041</u>
TELEPHONE NUMBER:	<u>712-737-4016 ext. 11908</u>
FACSIMILE NUMBER:	<u>712-737-4148</u>
WEB SITE:	<u>www.ezliner.com</u>
REPRESENTATIVE NAME:	<u>Steve Smit Norm Scholten</u>
REPRESENTATIVE TELEPHONE NUMBER:	<u>530-314-9171</u>
REPRESENTATIVE E-MAIL:	<u>steve.smit@ezliner.com norm.scholten@ezliner.com</u>

	<u>YES</u>	<u>NO</u>	<u>REBATE</u>
WILL ALLOW OTHER GOVERNMENTAL ENTITIES TO PURCHASE FROM THIS CONTRACT:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

WILL ACCEPT PROCUREMENT CARD FOR PAYMENT:	<input type="checkbox"/>	<input checked="" type="checkbox"/>
---	--------------------------	-------------------------------------

FUEL COMPRISES (if section for fuel price adjustment is located in the solicitation document) % OF TOTAL BID AMOUNT

☒ NET 30 DAYS

Title	Unit Price	Unit Price Eff. 09/18/15	Qty	UofM	Description
Highway Striper Truck	\$354,690.00	\$396,750.00	1	each	Price for each Highway Striper Truck per section 2.0. Supporting documents may be uploaded to this line item.

PRICING SHEET: NIGP CODE 55024

Vendor Number: 2011004096 0

Certificates of Insurance Required

Contract Period: To cover the period ending **October 31, 2014 2017.**

HIGHWAY STRIPER TRUCK

1.0 INTENT:

The intent of this Invitation for Bids (IFB) is to establish a contract for one (1) or more new model year not used or previously owned or operated, **HIGHWAY STRIPER TRUCK** to be delivered to the Maricopa County Equipment Services Department, 3325 West Durango, Phoenix, Arizona, as covered by purchase order only.

Other governmental entities under agreement with the County may have access to services provided hereunder (see also Sections 2.62 and 2.63, below).

The County reserves the right to add additional contractors, at the County's sole discretion, in cases where the currently listed contractors are of an insufficient number or skill-set to satisfy the County's needs or to ensure adequate competition on any project or task order work.

2.0 SPECIFICATIONS:

2.1 CAB/CHASSIS DIMENSIONS / CAPACITIES:

- 2.1.1 **GVW** – Min. 43,000 lb.
- 2.1.2 **Wheelbase** – Approx. 185"
- 2.1.3 **Cab / Axle** – Approx. 180"
- 2.1.4 **Fuel Capacity** – Min. 100 gallons
- 2.1.5 **Cab Head Room** – Min. 39" for the driver and passenger seats.

2.2 AXLES / HUBS / SUSPENSION:

- 2.2.1 **Front Axle:**
 - 2.2.1.1 **GAWR** - 20,000 lb.
 - 2.2.1.2 **Springs** - 10,000 lb. each.
 - 2.2.1.3 **Hubs** – Aluminum or steel
 - 2.2.1.4 **Shock Absorbers** – Manufacture maximum.
- 2.2.2 **Rear Axles:**
 - 2.2.2.1 **GAWR** - 23,000 lb.
 - 2.2.2.2 **Type** - Full floating
 - 2.2.2.3 **Ratio** – Differential shall be geared to permit a top speed of 70 mph and allow for application speeds of 10-15 MPH without over-speeding the engine or causing continual transmission gear changes during paint application.
 - 2.2.2.4 **Hubs** – Aluminum or steel
- 2.2.3 **Suspension:**
 - 2.2.3.1 **Type** – On-Highway air ride
 - 2.2.3.2 **Make** – HENDRICKSON HAS 230 or equal.

2.3 BRAKES:

- 2.3.1 **Type** – Heavy-duty full air, ROCKWELL Q-series, S-cam or equal, shall include backing plate on all axles.
- 2.3.2 **Lining** – Heavy-duty non-asbestos type.
- 2.3.3 **Drums Disc** - Heavy-duty outboard mounted type **Disc brakes front and rear.**
- 2.3.4 **Air Dryer** - BENDIX, ROCKWELL or equal, with spin-on cartridge.
- 2.3.5 **Automatic Slack Adjusters** - BENDIX, # ASA-5 or GUNITE / ROCKWELL equal.

- 2.3.6 **Air Compressor** – Minimum, 17 CFM capacity.
- 2.3.7 **Emergency / Parking Brake** – Spring-set, air release.
- 2.4 **FRAME:**
Truck manufacturer's recommended frame assembly to meet or exceed the requirements specified herein. Unconditional warranty of no less than five (5) years from the date the County signs the invoice accepting the vehicle. Information concerning frame performance shall be an integral part of any compliant bidder's response.
- 2.5 **ELECTRICAL SYSTEM:**
- 2.5.1 **Voltage** - 12.
- 2.5.2 **Alternator** - 200 amp, minimum (LEECE NEVILLE or equal)
- 2.5.3 **Batteries** - Heavy-duty maintenance free type with adequate capacity to crank engine sufficient for starting with the ambient temperature at 0°F.
- 2.5.4 **Lighting** - Shall meet all State and Federal safety standards. All deck, chassis tail, turn, backup and stoplights shall be seal waterproof (Hi-intensity LED) type.
- 2.6 **ENGINE:**
- 2.6.1 **Type** - Diesel, 4-cycle, turbocharged.
- 2.6.2 **Horse Power** – Min. 275 @ 2100 RPM
- 2.6.3 **Torque** – Min. 1050 lb.-ft. @ approx. 1200 rpm.
- 2.6.4 **Warning System** - Bell or buzzer for high coolant temperature, low coolant level, low engine oil pressure.
- 2.6.5 **Air Filtration System** – Heavy-duty air filtration system shall be designed for Arizona's extremely dusty operating conditions, filter restriction indicator shall be on the dash in clear view of operator.
- 2.6.6 **Exhaust System** – Heavy-duty vertical exhaust and muffler system with all necessary heat shields. Exhaust outlet shall be a 45 degree elbow directed to outside of truck. System shall meet or exceed all AZ State and Federal emissions standards, no exceptions.
- 2.6.7 **Cooling System** - Heavy-duty system to include but not limit to fan, shroud, lifetime silicon or equal hoses, radiator drain-cock and ~~water filter, PERRY or equal.~~ Unit shall be capable of operating continuously with ambient temperatures 0 to 125+ degree. Ethylene glycol based all seasons extended life coolant and water 50-50 mix.
- 2.6.8 **Engine Speed Control** – Truck shall be equipped with a Low Speed Cruise Control.
- 2.7 **STEERING:**
Truck shall be equipped with heavy-duty power steering.
- 2.8 **TRANSMISSION:**
- 2.8.1 **Type** - Automatic
- 2.8.2 **Controlled** - Electronically
- 2.8.3 **Make/Model** - ALLISON, HD 4500RDS, or equal six (6) speeds.
- 2.8.4 **Oil Cooler** – Heavy-duty type designed for vehicles operating in extreme heat conditions.
- 2.8.5 **Power Take-Off:**
- ~~2.8.5.1 Make - Chelsea 277 or equal.~~
- ~~2.8.4.2 Type - Side mount, hot shift, with over speed protection~~
- ~~2.8.4.3 Controls - Cab mounted with warning light when PTO is engaged.~~
- 2.9 **AIR / OIL LINES:**
Unit shall be equipped with AEROQUIP or equal air and oil lines and fittings.
- 2.10 **SIGHT GLASS WHEEL HUBS:**
STEMCO or equal installed on front wheels.
- 2.11 **TIRES / WHEELS:**
- 2.11.1 **Front Tires** - Two (2) (like) GOODYEAR or equal 315/80R22.5L, 20 ply steel-belt radial with highway tread.

- 2.11.2 **Rear Tires** - Four (4) (like) GOODYEAR or equal tubeless steel-belt radial highway-tread 11R x 22.5 14 ply.
- 2.11.3 **Wheels:**
- 2.11.3.1 **Type** – Aluminum, Alcoa or equal, 10-hole hub pilot.
- 2.11.3.2 **Front** - Two (2) 12.25 x 22.5
- 2.11.3.3 **Rear** - Four (4) 8.25 x 22.5
- 2.11.5 **Spares** - One (1) each (like) tire and wheel assembly for the front and rear.
- 2.12 **FUEL TANK:**
Single or double aluminum tank(s) 100 gallon total capacity can be mounted on the driver or passenger side vendor to determine depending on available space.
- 2.13 **CAB:**
- 2.13.1 **Type** – Extended Cab-Over Engine design (Peterbuilt P320 or equal) with manufacture's maximum sound deadening cab and engine insulation.
- 2.13.2 **Drivers Seat** - BOSTROM 915 or equal fully adjustable air seat with lumbar support and arm rest on both sides, heavy-duty fabric covering tan or gray color preferred. Seat base shall be designed such that it can be manually adjusted to different heights.
- 2.13.3 **Passenger Seat** – Heavy-duty adjustable hi-back bucket type air seat with durable fabric covering tan or gray color preferred. Under-seat storage box shall be supplied if available from manufacturer.
- 2.13.4 **Seat Belts** - Shall be equipped with retractors and meet all Federal safety standards.
- 2.13.5 **Windows** - Darkest legal tint per AZ State Law, minimum 5 year warranty on material and installation.
- 2.13.6 **Windshield Wipers** - Dual
- 2.13.7 **Heater** - Factory installed fresh air type
- 2.13.8 **Refrigeration** - Factory installed heavy-duty system with R134A refrigerant. Unprotected lines, hoses, switches, or valves routed through wheel well will not be acceptable
- 2.13.9 **Horn** - Air, GROVER or equal
- 2.13.10 **Suspension** - CAB AIR, LINK CAB MATE or equal
- 2.13.11 **Sun Visors** - Dual, one on each side.
- 2.13.12 **Instruments** – Truck shall be equipped with all standard instrumentation also shall have a dash mounted hour meter that is activated by engine oil pressure.
- 2.13.13 **Radio** - AM/FM factory installed
- 2.13.14 **Power Windows/Door Locks/Power Mirrors/Cruise Control/Tilt Steering** – Truck shall be equipped with factory installed power windows, ~~door locks~~ and dual **mirrors**, WEST COAST or equal type, 7" x 16" with 8" spots or equal. Shall have tilt steering wheel with cruise control.
- 2.14 **BUMPERS:**
- 2.14.1 **Front** – Heavy-duty steel or aluminum with center tow-pin or equal frame mounted tow-hooks.
- 2.14.2 **Rear** – The rear bumper shall be constructed of heavy-duty channel steel with structural steel channel supports. Supports shall be affixed to the chassis frame. Bumper shall be installed a minimum of 18" from the road surface. Bottom step shall be 66" wide and 6" deep. Steps shall be an integral part of the rear bumper to allow staircase style access from rear of the unit to the operator's stations.
- 2.15 **EQUIPMENT PLATFORM:**
- 2.15.1 **Material / Construction** - The platform shall be of heavy-duty construction and of adequate size and strength to accommodate all components, equipment, and accessories. The platform shall be constructed of steel tubing covered by minimum 8-gauge steel non-skid diamond plate in all walk areas. Longitudinal stringers shall be 2" x 4" tubing running the length of the deck. Cross members shall be 2" x 2" tubing with 16" centers running the length of the deck. Perimeter tubing shall be 1 1/2" x 3".

- 2.15.2 **Platform to Chassis Spacing** - There shall be a space measuring approximately 4" between the chassis and the platform to accommodate all electrical and plumbing without interference with the truck frame. Risers shall be attached to the longitudinal stringers of the deck to space the deck from the chassis frame rails. These risers shall be welded to the platform and bolted to the chassis rails.
- 2.15.3 **Access Ladder** - There shall be a minimum of one access ladder with handrails permanently affixed to the passenger side of the equipment platform to provide access to the equipment. A finger pull latch will store the ladders in a flush position with the railing when not in use. (Chain type ladder storage will not be acceptable.) Chrome handrails shall be bolted to the platform safety railing vertically on each side of ladder entrance areas for safety. These handrails shall extend at least $\frac{3}{4}$ of the height of the safety railing.
- 2.15.4 **Safety Railing** - A steel railing will be installed around the entire platform except at the ladder entrance areas. The railing and support risers must be located so as not to inhibit visibility from workstations in the operators cab. The steel railing will be constructed of 1 1/2" square tubing, and be 42" high. All top corners where the railing makes a turn shall be rounded. The ladder entrance areas shall be able to be secured with a safety chain.
- 2.16 **AUXILIARY ENGINE:**
 - 2.16.1 **Engine Type** - A liquid-cooled, diesel engine of sufficient size to drive a hydraulic pump used to power the striping operation shall be provided. A Cummins engine rated at a minimum of 60 HP at 1800 RPM and will develop 160 Ft. Lb. of torque is preferred. The engine shall have an electrical system separate from the truck including 2 DELCO 1150 batteries and a minimum 105 AMP 12 Volt alternator. The engine is to be equipped with a governor for speed control, automatic shutdown system controlled by engine oil pressure and engine temperature. An hour meter controlled by engine oil pressure shall be installed in the enclosed cab. Access to auxiliary engine for maintenance shall be maintained.
 - 2.16.2 **Aux. Engine Cooling System** - The auxiliary engine cooling system will be a heavy duty type with sufficient capacity for continual operations in 120°F ambient temperatures. All hoses shall be silicone.
 - 2.16.3 **Aux. Engine Instrumentation** - The gauges and controls for the auxiliary engine will be mounted on the operator control panel located in the operators cab. The following instruments shall be provided: Engine Hour Meter, Oil Pressure Gauge, Tachometer, Coolant Temperature Gauge, Volt or Amp Meter.
- 2.17 **HYDRAULIC RESERVOIR:**

A hydraulic reservoir of adequate size and cooling capabilities to maintain the required operating temperatures shall be supplied. The reservoir will be equipped with baffles, breather cap, sight level gauge, clean out cover, and drain valve. A 10-Micron replaceable spin on filter shall be placed in the return line with shut off valves on both sides of the filter to reduce fluid loss during changing.

 - 2.17.1 **Cooling System** - The system shall include oil after cooler with 12v fan to prevent overheating. A thermostatic fan control shall be installed in the circuit to the hydraulic cooler so that it only runs when a preset temperature of the oil is reached.
 - 2.17.2 **Hydraulic lines** - All high-pressure hydraulic hoses shall be rated at a minimum of 2,000-psi working pressure. A shut-off valve will be installed in the low-pressure plumbing of the hydraulic system to isolate the reservoir and limit fluid loss when maintenance is performed.
- 2.18 **COMPRESSOR:**
 - 2.18.1 **Type / Capacity** - The compressor shall be of sufficient capacity to simultaneously operate all air driven components of the striping machine during normal striping operations. It shall be an air cooled unit with a displacement of not less than 85 CFM and air pressure (psig) of 100; reference: VANAIR model Hydraulic Viper Compressor shall be equipped with a safety valve, air release valve, and drain valve. Compressor shall be powered by a direct coupled hydraulic motor driven from the auxiliary engine pump.
 - 2.18.2 **Un-loader** - The compressor will be equipped with un-loader that will allow the compressor to run in an unloaded condition once full working pressure is obtained.

- 2.18.3 **Receiver Tank** - A minimum 10-gallon ASME rated air receiver tank will be plumbed into the air system with auxiliary couplings on both sides of the truck. The tank will be mounted between the frame rails and below the equipment deck of the striper. The air receiver tank will be equipped with a drain valve and a safety pop off valve.

2.19 **PAINT TRANSFER PUMPS:**

Two (2) 2" stainless steel double diaphragm loading pumps shall be installed. WILDEN M8 T8 or equal pumps equipped with Teflon diaphragms shall be supplied. The pumps should be attached to bottom of deck for ease of access. All hardware necessary for the transferring of paint from drums or totes into the truck tanks shall be included. Valves will be provided to allow each pump to be isolated from the paint system for the purpose of cycling solvent through the pump for cleaning. The loading pumps will double as priming pumps for the heat exchangers.

2.20 **PAINT TOTES:**

2.20.1 **Design / Capacity** – Adequate deck space and a web strap retention system with hold down clamps shall be provided to accommodate two fully loaded paint totes with traffic paint. (approx.. 4'x4' – 250 gallons each). The totes when loaded onto the platform of the striping truck shall act as zero pressure storage vats to supply paint to system. Quick connect cam lock type couplers and 2" I.D. suction hoses shall be provided to connect the high-pressure paint pumps to the paint totes. The platform shall be cut out to ensure the platform does not interfere with attached 2" hose to paint tote. All paint and air valves will be color coded for identification. There shall be ample unions and clean outs in the low-pressure plumbing to aid in clean out.

2.20.2 **Paint Tote Recirculation** - A 1" recirculation line shall be plumbed to the top of the associated paint tote from the inlet of each high pressure paint pump to allow low pressure paint recirculation. Cam & groove fittings shall be provided on the tote end of the hoses with a 1" stainless steel ball valve on each end to seal off each hose.

2.20.3 **Stainless Steel Components** - All components in the paint holding and delivery system that come in contact with the paint, with the exception of flexible conductors, shall be stainless steel. All fittings on flexible hoses will be stainless steel. These components include, but are not necessarily limited to, loading pumps, airless paint pumps, valves, strainers, and spray guns.

2.21 **PAINT HEATING SYSTEM:** (Requires paint loading pumps)

2.21.1 **Paint Heater** - ~~A diesel fired, thermostatically controlled, heater for warming the paint shall be installed~~ **A scab type heating system shall be installed.** Fuel supply will be from the truck's fuel tank. The heater shall have an adjustable combustion heat assembly and operate with no smoke production. The heater must be ASME approved, 225,000 BTU minimum capacity, powered by 12-volt system, (either the truck or auxiliary engine electrical system may be used depending on each systems load) fully automatic; adjustable heat range from 50F to 250F with digital display. Temperature controls, including displays and gauges shall be installed in the operator's control panel. Heating medium circulated by 1" double diaphragm pump from heater through two automatically controlled heat exchangers at minimum of 25 GPM. The pump must be able to operate efficiently up to 250F. An audible over temp warning device shall be installed in the operator's cab.

2.21.2 **Heat Exchanger** - Heat exchangers shall be four-pass stainless steel shell and tube type with a minimum heat transfer area of 64 square feet and be equipped with automatic diverter valve. Overflow reservoir will be mounted at one heat exchanger being the highest point in the heat system with overflow tube plumbed below the deck into a storage container.

2.22 **PAINT FILTERS:**

2.22.1 **Low Pressure** – At each low-pressure transfer/charge pump outlet material shall pass through a stainless steel canister type strainer with stainless steel screen and 1/8" openings. The strainers shall be equipped with removable reusable screens. Each filter shall have a minimum of 100 sq. inch surface area. Valves shall be provided to isolate each strainer assembly for cleaning. Each strainer will be equipped with a drain port and ball valve to allow for draining of the strainer into a pail or bucket at the onset of strainer cleaning. Strainers will be positioned in such a manner as to facilitate cleaning without material discharge onto any portion of unit.

- 2.22.2 **High Pressure** - At the high-pressure outlet port of each high-pressure paint pump, there shall be a high capacity, high-pressure canister type paint filter. These filters shall have pressure ratings of not less than 5,000 PSI. Each stainless steel high-pressure filter shall have a minimum filtration surface of 18 square inches and reusable stainless steel screen with 40 mesh perforations. Inlet and outlet ports shall be a minimum of 1/2".
- 2.22.3 **Location** - All paint filters shall be positioned as close to the paint pumps as possible to facilitate quick and easy cleaning.
- 2.23 **FLUSH SYSTEM:**
An air operated flushing system shall be installed. It shall consist of a 20 gallon A.S.M.E. stainless steel pressure tank, with safety valve plus valves and piping necessary to introduce the flushing medium into each paint line. The flush shall also be piped into each main line, adjacent to shut off valve at the tank, in order that each line can be thoroughly flushed when required.
- 2.24 **AIRLESS PAINT APPLICATION PUMPS:**
Two (2) high capacity, high-pressure, hydraulic driven airless paint pumps, stainless steel guns with Teflon packing, each with a capacity of 13.0 GPM at 2000 PSI, shall be supplied. All wetted parts including the piston, check balls, seats, housing, and packing retaining rings shall be stainless steel. Carbide ball seats and chrome check balls are not acceptable. The airless paint pumps shall be mounted on the top of the deck. A ground strap will be installed on the vehicle to discharge any static electricity buildup from the airless pumps.
- 2.25 **SURGE CHAMBERS:**
Surge chambers shall be installed to eliminate the "hour-glass" effect caused by the pump changing strokes.
- 2.26 **GLASS SUPPLY:**
 - 2.26.1 **Pressure Vessel Type / Capacity** - An A.S.M.E. certified pressure vessel shall be installed, having a total capacity of 3000 lbs. of glass spheres. This vessel shall be of all steel construction and shall have a top opening not less than 24" in diameter. The vessel shall be equipped with an air release valve, a 160-lb. pressure gauge and a 110 lb. pressure relief valve. Sight level gauges shall be provided as an integral part of the glass bead tank. They shall be located at 1/4, 1/2, and 3/4 levels vertically on outside of bead tank.
 - 2.26.2 **Spheres (Glass-Beads)** - Glass beads shall be conveyed under pressure to automatic glass sphere guns through reinforced poly plastic hose. The poly plastic hoses shall also contain ball valves to both side of the paint carriage for easy turn-off. A finned tube type air cooler and moisture separator to remove moisture from air used to operate the glass system shall be installed. The moisture separator shall be the self-expelling type.
 - 2.26.3 **Bead Loading System** - A vacuum bead loading system with a minimum capacity for 200 lbs. of glass beads per minute will be included in the glass supply system. This vacuum bead system shall operate by creating a vacuum in the bead tank. The glass filling system shall include a 12' long, 2" I.D. fill hose with male and female quick coupler fittings on one end and a 36" long, 2.00" steel tube attached to the suction end, and a new, 55 gallon metal drum with a combination bag splitter and screen strainer. All plumbing for the bead loading system will be rigid pipe except for the flex suction tube that extends from the deck height inlet to the suction stand pipe.
- 2.27 **SPRAY GUN CARRIAGE:**
 - 2.27.1 **Type** - Two (2) spray gun carriages shall be provided. They shall be hydraulically retractable to within the overall vehicle width and pneumatically lifted off the roadway for high speed transport. An Auto-Lock system shall secure the carriages in the stowed position.
 - 2.27.2 **Left Street-Side Carriage** - This unit shall be located directly in front of the left rear tires. It shall support 4 spray guns and 4 sphere guns. Two road wheels shall be provided to maintain it at a given height from the road and the entire unit shall be mounted with lineal bearings to allow vertical motion but yet keep the spray guns parallel to the road surface. This carriage must be capable of being operated in any position from inside the outer edge of the platform to a point four (4) ft. or more if possible, outboard of this location.
 - 2.27.3 **Right Curb-Side Carriage** - This unit shall be located directly in front of the right rear tires. It shall support 2 spray guns and 2 sphere guns. One road wheel shall be provided

to maintain it at a given height from the road and the entire unit shall be mounted with lineal bearings to allow vertical motion, but yet keep the spray gun parallel to the road surface. This carriage shall be capable of being operated in any position to give spacing from 8 to 16 ft. between the outside gun on the left and right carriage.

- 2.27.4 **Carriage Wheel** - The road wheels on all carriages shall be fitted with pneumatic tires and with ball bearings and dirt shields. All wheels shall be caster mounts, to allow them to pivot freely as the striping unit is turned on the road. An electric cylinder will be controlled from the operator's position to allow for further spacing of these casters when necessary.
- 2.27.5 **Carriage Bearing / Pivots** - All bearings or pivots on the carriage where relative motion occurs, shall be fitted with replaceable bushings or anti-friction bearings and pressure lubrication fittings, (FAFNIR Ball Bearing 3/4" industrial duty is recommended). The telescoping area of the slide mechanism shall be square tubing inside tubing and be fitted with Ultra High Molecular Weight material to reduce friction and wear and shall require no lubrication.
- 2.27.6 **Carriage Movement** - Each carriage slide shall be equipped with a hydraulic cylinder for moving the carriage to any point within its operating range. The cylinder shall be double acting and controlled by a steering control unit and steering wheel, located in the operator's cab. The power steering mechanism must operate in a smooth manner. A mechanism that will cause over steering, creeping, or jerking movements is not acceptable.
- 2.27.7 **Carriage Emergency Lighting** - Each carriage will be equipped with a flashing yellow light facing forward and a red light facing to the rear.

2.28 **PAINT AND GLASS SPRAY EQUIPMENT:**

- 2.28.1 **Spray Guns** - Six (6) air/electric operated, airless atomizing, spray guns are to be supplied (GRACO Model ~~206-660~~ **238-377** preferred). They are to be of the type specifically developed for highway striping and shall be capable of handling all types of highway marking material, except the pre-beaded type. All wetted parts are to be constructed entirely of stainless steel. The spray tips shall be carbide steel. The guns are to be controlled with 1/4-inch solenoid valves to assure quick gun reaction. Each paint gun shall be equipped with an electric actuator and control switch to raise and lower each gun individually from the operator's position. The line widths for each spray gun are to be adjustable from four inches to eight inches. Paint guns shall also be plumbed to allow paint to re-circulate within the heated paint system. All rigid high-pressure plumbing will be schedule 10 socket welded stainless with bolt up flange type valves. This system will be designed to be leak proof. Plumbing access will be gained through the removal of four bolts from each valve.
- 2.28.2 **Glass Sphere-Dispensing Guns** - Six (6) GRACO automatic shall be provided. The automatic sphere guns shall be capable of dispersing 20 pounds of spheres per minute with 60 pounds air pressure on the glass tank. All components of the glass sphere guns (except the shroud) shall be chrome plated and mounted behind each paint spray gun. An adjustable set-screw for dispensing control shall be built into each bead gun. Flow must be controllable from one pound per minute to twenty pounds per minute.
- 2.28.3 **Air Jets/Blowers** - Six (6) air jets or dusting guns will be installed, one in front of each paint gun row on each carriage to blow away dust and light debris from the surface prior to the paint application. These air jets shall be controlled electronically from the operator's location on each side of the platform with one switch for each gun carriage.
- 2.28.4 **Spray Gun Configuration (Left Carriage):**
The four (4) spray guns are to be arranged as follows:
 - (gun #1) (bead) (gun #2) (bead)
 - (gun #3) (bead) (gun #4) (bead)
 - Gun #1 sprays a 4" white stripe.
 - Gun #2 sprays a 4" white stripe.
 - Gun #1 and 2 together spray a 8" white stripe
 - Gun #3 sprays a 4" yellow stripe.
 - Gun #4 sprays a 4" yellow stripe.

2.29 **LINE OILER AND MOISTURE TRAP:**

Two (2) air-line oilers will be included in the air system which feed the spray guns. One line oiler will be provided for the spray guns on each carriage to inject a mist of oil to the guns. A self-exPELLing moisture trap will be plumbed just before the line oiler to remove the moisture from the air.

2.30 **PAINT METER (ELECTRONIC):**

A metering system shall be designed and installed to comply with various state DOT requirements in recording gallon usage while on the striping jobs. The system's design shall contain no wetted parts. A display shall include total gallons of yellow and white. The display (readout) shall be an integral part of the skip-timer system.

2.31 **ENCLOSED CAB:**

2.31.1 **Type** - The Unit shall be equipped with an operator's enclosure on the rear of the unit measuring approximately 102" wide x 60" deep x 76" height. The enclosure shall be mounted directly to the top of the chassis frame rails to maintain a low overall profile. Support posts shall be kept to a minimum to provide maximum visibility for the operator and still allow adequate support for the enclosure. Access to the cab will be from the rear of the vehicle. The door shall have a latch system that secures the door. Chassis frame rails shall be of sufficient length to allow bolting cab to frame rails. Sufficient windows shall be provided thus allowing good visibility to the operators. Bay windows will be provided at each operator station. All windows shall be tinted, have rounded corners and be constructed of safety glass with proper identification marks. The entire cab will be insulated and be air conditioned, and heated. The air conditioning system shall be driven from the auxiliary engine. Additionally hot water for the heater system shall be from the auxiliary engine. The front corners of the operators cab shall be angled to provide maximum visibility of the gun carriages while seated in the operator's seat.

2.31.2 **Cab Insulation** - The interior of the cab shall be insulated with a vinyl clad foam insulation material, for both insulation and sound deadening properties. In addition, the floor shall be clad with a thick rubber mat for sound suppression.

2.31.3 **Air Seats** - There shall be two (2) heavy-duty operator Captain style chairs with air cushion ride, one each at the right hand and left hand sides of the truck, angled for best visibility of the carriage and each having a locking swivel.

2.31.4 **Inter-Com System** - Shall be installed to provide communications between the driver of the vehicle and operators of the striping equipment. The system shall be a three (3) headset system, David Clark Master station U-3800 and interface module U-3811 or equals. Two (2) headsets with dual earphones shall be provided for the operators of the striping equipment. One (1) headset with single earphone shall be provided for the vehicle driver. Need system to interface with an XTL2500/APX6500 Motorola Radio (same cable will work with either). Need to provide an interface cable from the David Clark system to our Motorola Radio as well as a PTT foot pedal button for communications with other vehicles.

2.31.5 **Heating/Air Conditioning** - Heat and air conditioning unit shall be installed. A minimum of 48,000 BTU/Hr of heating and 39,500 BTU/Hr of cooling shall be provided. (Red Dot or equal). Documentation shall be provided to verify unit proposed meets these ratings. Two additional variable speed circulation fans shall be installed.

2.31.6 **Control Center** - Shall be installed between the paint operator's steering wheels. The metal control panel shall be mounted to allow access from either operator's position and contain all the necessary regulators, gauges, valves, switches and indicators required for operation of the striping equipment and auxiliary engine. All control center components shall be flush mount. The face of the control panel will be painted flat black.

2.31.6.1 **Carriage Control** - Both the right side and left side gun carriages shall be electrically controlled by means of toggle switches and solenoid valves. The switches shall be located in separate, movable control boxes, mounted within easy reach of the equipment operator. The control box shall be equipped with one, three position, toggle switch for each paint gun and a master on/off switch. The three-position switch will be configured with forward for solid line, center for neutral, and down for automatic.

2.31.6.2 Kill Switch - Shall be located in the truck cab. This switch will have the power to shut down all paint and bead gun operations. No other paint operation controls will be placed in the vehicle cab.

2.31.7 Power Inverter – There needs to be a 1000 watt power inverter installed on back side of center control console for charging and powering small equipment.

2.32 **SKIP LINE CONTROL:**

2.32.1 Type - The skip-setting mechanism shall be all electronic and shall utilize solid state components for all active internal functions. It must process electrical pulses received from the vehicle motion sensor and must drive solenoid valves. A means of inductive arc suppression shall be included. It shall require little or no maintenance. Clutches, cams, gears, or devices that require adjustment are not acceptable. All guns shall be operated by applying a ground signal to activate.

2.32.2 Paint Pattern Capability - The skip-setting mechanism must generate the selected repetitive pattern without utilizing any internal or external moving parts, except operator adjusted toggle switches for establishing pattern size, placement and calibration. Switches shall be of the three position, spring loaded center off type, and there shall be one switch each for the CYCLE LENGTH adjustment, and the STRIPE LENGTH adjustment. Switches with thumb wheels or that have engraved digits are not acceptable.

2.32.3 Advisory / Warning Display - An alphanumeric display shall be provided to display advisory and warning messages, as well as Stripe and Cycle settings. The display must be capable of concurrently displaying at least 40 characters of text or digits. The display must be liquid crystal type, with industrial temperature range fluid, and must be compatible with electro-luminescent back lighting devices.

2.32.4 Indicator Lamps - Shall be solid-state light-emitting diode types. The skip-setting system shall not use or require use of internal or external electromechanical relays.

2.32.5 Direct Read Digital Dials - For ease of operation the skip-setter must have direct reading digital dials and must provide pattern capability from 00.1 to 99.9 ft., adjustable by 0.1 ft. increments at any time whether at rest or in motion, without generating spurious patterns. When changing patterns, simple dial changes must suffice without resorting to "data complete" or "enter data" type controls. Also "start" indexing (reset to zero) must be instantaneous.

2.32.6 Advance / Retard System - To aid in registration of new paint with previously painted pattern, the "ADVANCE" or "RETARD" (phase correction) system must alter the pattern length no more than plus or minus 20% while activated (not more than every fifth motion sensor pulse shall be added or omitted). The system MUST be provided with a means of AUTOMATICALLY adjusting the Cycle length by .1 foot increments if the Advance or Retard control is invoked three consecutive times.

2.32.7 Glare Reduction - To reduce glare skip-setter shall be finished in flat black with a black front panel.

2.32.8 Registration Error Compensation - The Skip-setter must provide a means to compensate for registration errors commonly found in application of paint and beads. Delay controls must be provided on master control panel of skip-setter to independently activate "paint" and "beads" so that they may be applied in registration with each other. Separate controls must be provided to individually register leading and trailing ends of the pattern.

2.32.9 Pattern Storage – Unit shall be capable of storing minimum two (2) skip-line patterns in the control, one as a primary cycle and the other a secondary cycle. They shall be selected by pushing a pattern selection button.

2.32.10 Carriage Control Panels - The left and right side carriages shall have individual master control panels with displays, these panels will be mounted at the operator's stations on swivel type mount in order to adjust height, left, and right as needed. The panels will include individual gun switches, and "master" on off switch. Each operator station will be complete with a master skip-timer.

2.33 **CAMERA GUIDANCE SYSTEM:**

- 2.33.1 **Type** - A 12 VDC closed circuit TV camera guidance system shall be supplied which will consist of two (2) TOTE VISION, LCD-1040, 10" flat screen color video monitors, two (2) PANASONIC WVCP-454 color cameras and one (1) PANASONIC, WVLA2.8 wide angle color (backup) camera. For long life and high reliability, the cameras must be based on use of strictly solid-state components and durable metal casing with high resistance to shock/vibration, and shall operate on the 12 VDC truck battery with no higher than 3500 m/amp current draw. One (1) monitor shall be installed in the truck cab in clear view of the driver and one (1) shall be installed in the rear operator's compartment in such a way that it can be used on the left or right side. Two (2) fully adjustable pivoting monitor mounts shall be installed in the rear operator's compartment, one positioned on each side at the rear. Driver shall have control switches for selecting the centerline, edge-line or backup camera for viewing. **Camera video display shall have a cross hair generator.** Rear operators monitor view will be the same as the front depending on the camera selection made by the driver. The backup camera shall automatically be activated on the monitors any time the truck is shifted into reverse gear.
- 2.33.2 **Color Lens** - Minimum, 12-mm color lens will be provided for each camera. To provide the best possible color as the lighting conditions change (ie: shade to sunshine) the lenses must continuously adjust color balance with automatic light compensation.
- 2.33.3 **Cameras** - Two (2) cameras shall be mounted at the front of the carriages suspended from deck other acceptable mount, each camera shall be mounted on electrically adjustable horizontal slide out tubing which will extend the cameras utilizing a 3' electric cylinder to position the cameras in line with the gun carriage outriggers. Camera shall be mounted toward the front of the equipment platform underneath.

2.34 **LASERLINE GUIDANCE:**

A LaserLine Model GL3000-P or equal remotely controlled guidance green laser shall be provided. The laser shall be installed on the chassis cab roof using a roof bracket. Direct installation to the roof is not allowed. Controls shall be installed in the chassis cab near the driver's position.

~~2.35 **OPTICAL POINTER:**~~

~~The truck cab shall be equipped with two optical pointers that will project a virtual image on a distant target. Pointers shall be installed in such a way that the driver can use the center line or other area to be striped with a minimum obstruction of view. Pointers shall measure 13" x 5" and be fully operational independent of each other. A light source shall project an image through a lens with the following properties (all external parts will be black anodized, 17' virtual image focal point, horizontal line with vertical cross hairs). Optical pointers shall have a control box or boxes with potentiometers for varying the light intensity on each unit from (0 to 9).~~

2.36 **MESSAGE BOARD:**

One (1) single faced ~~3 line LED~~ **Full Matrix** message board shall be provided. The panel will be 41" x 75" minimum. The controller will be installed in the truck cab for control of message board. The board will be fixed mounted at the rear of the striper. It shall extend beyond the rear of the operator's station and shall be supported by the operator's cab structure.

2.37 **BECON LIGHTS:**

Two WHELEN #S360DAP or equal multi-flash strobes with amber lens shall be installed per manufacturer's instructions on the rear portion of the truck on each corner. The control switch shall be installed on the truck dash in a convenient easy access for the driver, clearly identified with a label.

2.38 **PLUMBING AND HOSE LINES:**

All plumbing lines from the material containers to the strainers shall be ASTM specification 2" ID size minimum with unions, crosses, tees used liberally throughout the installation to insure convenient maintenance and cleanout. All fluid lines from the strainers to the striping guns on the centerline carriage shall be not less than 1/2" ID solvent resistant type rated at 3000 PSI. All air control lines to the striping guns and electro-air valves shall be not less than 1/4" ID nylon solvent resistant tubing tested to 125 psi or comparable.

2.39 **WORK LIGHTS:**

A fully adjustable halogen light package shall be supplied. One (1) light will be positioned on each carriage. Two (2) lights will be positioned on the platform, mounted on risers on the rear of the deck. Two (2) lights will be positioned forward on the ~~line guide~~ **front bumper**, one on ~~inside and one on outside~~ **each side of the front bumper**. One (1) light mounted just above rear cab to illuminate the rear steps. A total of seven (7) lights will be supplied. In addition all gauges and instruments in the control panel will have work lights.

2.40 **TOOL BOX:**

Two (2) toolboxes shall be provided and accessible under the enclosed cab in the back. They shall be a minimum of 24" wide, 18" deep and 18" tall.

2.41 **REVIEW WORK IN PROGRESS:**

The vendor shall make (when the work on the striper reaches approximately 80% of completion) necessary arrangements for two (2) County representatives' on-site review of the equipment. The County's designees will inspect the equipment for compliance with the specifications and recommend any changes that are necessary.

2.42 **TECHNICAL SERVICE:**

The successful bidder shall provide a factory technician for at least three (3) days of instruction in the operation and maintenance of the striping machine, when the unit is delivered. Training for user department shall be coordinated.

2.43 **MANUALS:**

Two of each of the following manuals shall be supplied, at the time of delivery, for both the truck and where applicable, the stripping equipment: Parts Manual, Repair/Overhaul Manual, Wiring Schematics and Operator's Manuals. All manuals shall be in CD-ROM format in PDF if available and shall include written authorization to install the contents of CD on Maricopa County Network in FASTER, for access by all authorized Equipment Service personnel.

2.44 **DRAWINGS:**

Two complete sets of professional quality blueprint drawings must be submitted with the bid. These drawings will show the deck layout of the striper, and control cab layout. Any bid not including these drawing will be rejected.

2.45 **CAB/CHASSIS / BODY PAINT:**

Cab shall be standard "WHITE" with black framework complete unit shall be free of all sharp corners, edges, metal scale, welding slag and splatter. Body assembly shall be primed and painted with two coats of white acrylic enamel to match truck cab.

2.46 **KEYS:**

Each unit shall have four (4) sets of keys with rings, tags and be properly identified, with last five (5) digits of vehicle Identification Number.

2.47 **SAFETY EQUIPMENT / REGULATION CRITERIA:**

2.47.1 **Fire Extinguisher** – Minimum one (1) 5 lb. all-purpose type, installed in the cab, in a convenient location within easy reach of operator. Installation using sheet-metal screws will not be accepted.

2.47.2 **First Aid Kit**, AZ Glove and Safety #10DOTM (**no exceptions**), installed in the cab, in a convenient location, within easy reach of the operator.

2.47.3 **Back-up Alarm** - Electronic, waterproof type, meeting SEAJ994 JUN80 criteria, installed at the rear in a protected location.

2.47.4 **Non-Skid Surfaces** - All steps and standing area shall have non-skid surfaces.

2.47.5 **Emergency Kit** - Shall be equipped with an AZ State and Federal approved kit.

2.47.6 **Lighting** - Shall meet all AZ State and Federal standards.

2.47.7 **Mud Flaps** - Heavy-duty anti-sail type shall be installed both front and rear of rear wheels, no advertising. Retainers for the rear mud flaps shall be installed such that the mud flap can be easily secured in the up position if necessary.

2.47.8 **Regulation Requirements** – Complete unit including components supplied and/or installed be a sub-contractor shall meet or exceed AZ State and Federal regulations (no exceptions).

2.48 **WARRANTY:**

Minimum acceptable warranty on complete unit including any component or equipment installed or provided by the vendor or their sub-contractor shall be 12 months from the date unit is delivered and accepted as being in full compliance with bid specifications no exceptions. Vendor shall provide a written statement explaining all warranties that will be provided. Vendors shall specify all standard warranties that apply to this unit also any extended warranty available through the vendor or equipment manufacturers.

2.49 **GENERAL:**

Unit shall have a complete inspection made prior to delivery to ensure full compliance with specifications and that it is ready for full operation. Electrical wiring installed by the dealer or sub-contractor shall follow standard vehicle manufacturer's procedures, including color coding, conduit, nylon ties, grommets (sealed type) for holes in metal, any opening made in the cab shall be sealed to prevent fumes from entering. Wiring shall not be routed across the engine or any other major component. Circuit breakers or ATO fuses in sealed receptacles as appropriate for accessory installed. Electric power supply to be picked up at the vehicle manufacturer's provided accessory terminals. Adapter spades in fuse boxes not acceptable. Relays shall be used if the electrical load exceeds 1/3 of the control switch rating. At the bidder's request a like unit will be made available for viewing, can be seen at Equipment Services, 3325 West Durango, Phoenix AZ., contact Les Glover at 506-4667 for an appointment. Vendor shall supply Dealers Invoice, Manufacturer's Certificate of Origin, Warranty Paperwork and a copy of the P/O when the vehicle is delivered.

2.50 **USAGE REPORT:**

The Contractor shall furnish the County an annual usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

2.51 **EXPEDITED DELIVERY:**

- 2.51.1 If the Using Agency determines that rush shipping or other alternate shipping is required, it shall notify the Contractor. The Contractor shall determine any additional costs associated with such delivery terms and communicate that cost to the Using Agency.
- 2.51.2 The Using Agency shall not advise the Contractor to proceed with an expedited shipment until acceptable terms are agreed upon and a purchase order is issued. Upon agreeing to the additional costs, the Using Agency shall advise the Contractor to proceed.
- 2.51.3 Upon receipt of material(s) and invoicing, the Using Agency shall ensure that any additional charges are in compliance with and do not exceed agreed to costs. The Using Agency shall retain all documents related to these costs within the agency purchase file.

2.52 **SHIPPING DOCUMENTS:**

A packing list or other suitable shipping document shall accompany each shipment and shall include the following:

- 2.52.1 Contract Serial number.
- 2.52.2 Contractor's name and address.
- 2.52.3 Using Agency name and address.
- 2.52.4 Using Agency purchase order number.
- 2.52.5 A description of product(s) shipped, including item number(s), quantity (ies), number of containers and package number(s), as applicable.

2.53 **SHIPPING TERMS:**

Bid price(s) and terms shall be F.O.B. Destination at:

Maricopa County Equipment Services Department
3325 West Durango, Phoenix, Arizona

2.54 ACCEPTANCE:

Upon delivery and/or successful installation, the system(s) shall be deemed accepted and the warranty period shall begin. All documentation shall be completed prior to final acceptance.

2.55 DISCONTINUED MATERIALS:

2.55.1 In the event that a manufacturer discontinues materials, the County may allow the Contractor to provide a substitute for the discontinued item or may cancel the Contract. If the Contractor requests permission to substitute a new material, the Contractor shall provide the following to the County:

2.55.1.1 Documentation from the manufacturer that the material has been discontinued.

2.55.1.2 Documentation that names the replacement material.

2.55.1.3 Documentation that provides clear and convincing evidence that the replacement material meets or exceeds all specifications required by the original solicitation.

2.55.1.4 Documentation that provides clear and convincing evidence that the replacement material will be compatible with all the functions or uses of the discontinued material.

2.55.1.5 Documentation confirming that the price for the replacement is the same as or less than the discontinued material.

2.55.2 Material discontinuance applies only to those materials specifically listed on any resultant contract. This will not apply to catalog items not specifically listed on any resultant contract.

2.56 FACTORY AUTHORIZED SERVICE AVAILABILITY:

~~The Contractor shall have and maintain a local factory authorized service facility within the Phoenix, Arizona metropolitan area. The facility shall be capable of supplying and installing component parts, troubleshooting, repairing and maintaining the material(s). Minimum service hours shall be from 8:00 A.M. through 5:00 P.M., Arizona Time, Monday through Friday. The Contractor shall provide their local warranty facility and part distributors for future repairs and maintenance. If there is no local warranty facility the contractor shall incur all cost to send the piece of equipment and/or parts back to the manufacturer while under warranty. If the failed equipment is due to County negligence County will incur all cost to bring equipment back to original operation.~~

2.57 BRAND NAME:

The County reserves the right to request samples to determine quality and acceptability of materials bid by Contractor. In some cases, brand names have been listed in order to define the desired quality and are not intended to be restrictive or to limit competition. Materials substantially equivalent to those designated shall qualify for consideration.

2.58 MODEL / YEAR OF MATERIALS:

The County will only accept bids offering current model / year equipment / material(s).

2.59 ORDER CUTOFF INFORMATION:

Contractors submitting bids shall advise the County of all known order cutoff dates for the equipment / product(s) specified in this solicitation at the time of bid submission. Notification of any subsequent cutoff date(s) (learned after submission of bid) shall also be the Contractor's responsibility. The Contractor shall advise the County of subsequent cutoff dates by notifying the Procurement Officer, in writing, of the new information.

2.60 INVOICES AND PAYMENTS:

2.60.1 The Contractor shall submit one (1) legible copy of their detailed invoice before payment(s) can be made. At a minimum, the invoice must provide the following information:

- Company name, address and contact
- County bill-to name and contact information
- Contract Serial Number
- County purchase order number
- Invoice number and date
- Payment terms
- Date of service or delivery
- Quantity
- Contract Item number(s)
- Description of Purchase (product or services)
- Pricing per unit of purchase
- Freight (if applicable)
- Extended price
- Mileage w/rate (if applicable)
- Arrival and completion time (if applicable)
- Total Amount Due
- Vehicle Year, Make, Model and Serial Number (or VIN number)

2.60.2 Problems regarding billing or invoicing shall be directed to the using agency as listed on the Purchase Order.

2.60.3 Payment shall be made to the Contractor by Accounts Payable through the Maricopa County Vendor Express Payment Program. This is an Electronic Funds Transfer (EFT) process. After Contract Award the Contractor shall complete the Vendor Registration Form located on the County Department of Finance Vendor Registration Web Site (<http://www.maricopa.gov/Finance/Vendors.aspx>).

2.60.4 EFT payments to the routing and account numbers designated by the Contractor will include the details on the specific invoices that the payment covers. The Contractor is required to discuss remittance delivery capabilities with their designated financial institution for access to those details.

2.61 TAX:

Tax shall not be levied against labor. Sales/use tax will be determined by County. Tax will not be used in determining low price.

2.62 STRATEGIC ALLIANCE for VOLUME EXPENDITURES (\$AVE)

The County is a member of the \$AVE cooperative purchasing group. \$AVE includes the State of Arizona, many Phoenix metropolitan area municipalities, and many K-12 unified school districts. Under the \$AVE Cooperative Purchasing Agreement, and with the concurrence of the successful Respondent under this solicitation, a member of \$AVE may access a contract resulting from a solicitation issued by the County. If you **do not** want to grant such access to a member of \$AVE, **please so state** in your proposal. In the absence of a statement to the contrary, the County will assume that you do wish to grant access to any contract that may result from this Request for Proposal.

2.63 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS (ICPA's)

County currently holds ICPA's with numerous governmental entities throughout the State of Arizona. These agreements allow those entities, with the approval of the Contractor, to purchase their requirements under the terms and conditions of the County Contract. Please indicate on Attachment A, your acceptance or rejection regarding such participation of other governmental entities. Your response will not be considered as an evaluation factor in awarding a contract.

3.0 SPECIAL TERMS & CONDITIONS:

3.1 CONTRACT TERM:

This Invitation for Bid is for awarding a firm, fixed-price purchasing contract to cover a term of one (1) year.

3.2 OPTION TO RENEW:

The County may, at its option and with the approval of the Contractor, renew the term of this Contract up to a maximum of three (3) additional years, (or at the County's sole discretion, extend the contract on a month to month basis for a maximum of six (6) months after expiration). The Contractor shall be notified in writing by the Office of Procurement Services of the County's intention to renew the contract term at least thirty (30) calendar days prior to the expiration of the original contract term.

3.3 PRICE ADJUSTMENTS:

Any requests for reasonable price adjustments must be submitted sixty (60) days prior to the Contract annual anniversary. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. If County agrees to the adjusted price terms, County shall issue written approval of the change. The reasonableness of the request will be determined by comparing the request with the Consumer Price Index or by performing a market survey.

3.4 INDEMNIFICATION:

3.4.1 To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless County, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including, but not limited to, attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the negligent acts, errors, omissions, mistakes or malfeasance relating to the performance of this Contract. Contractor's duty to defend, indemnify and hold harmless County, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is caused by any negligent acts, errors, omissions or mistakes in the performance of this Contract by the Contractor, as well as any person or entity for whose acts, errors, omissions, mistakes or malfeasance Contractor may be legally liable.

3.4.2 The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

3.4.3 The scope of this indemnification does not extend to the sole negligence of County.

3.5 INSURANCE:

3.5.1 Contractor, at Contractor's own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies, which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of County. The form of any insurance policies and forms must be acceptable to County.

3.5.2 All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of County, constitute a material breach of this Contract.

- 3.5.3 Contractor's insurance shall be primary insurance as respects County, and any insurance or self-insurance maintained by County shall not contribute to it.
- 3.5.4 Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect the County's right to coverage afforded under the insurance policies.
- 3.5.5 The insurance policies may provide coverage that contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to County under such policies. Contractor shall be solely responsible for the deductible and/or self-insured retention and County, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.
- 3.5.6 County reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance certificates. County shall not be obligated to review policies and/or endorsements or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of County's right to insist on strict fulfillment of Contractor's obligations under this Contract.
- 3.5.7 The insurance policies required by this Contract, except Workers' Compensation, shall name County, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- 3.5.8 The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against County, its agents, representatives, officers, directors, officials and employees for any claims arising out of Contractor's work or service.
- 3.5.9 Commercial General Liability:
Commercial General Liability insurance and, if necessary, Commercial Umbrella insurance with a limit of not less than \$2,000,000 for each occurrence, \$2,000,000 Products/Completed Operations Aggregate, and \$4,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage, and shall not contain any provision which would serve to limit third party action over claims. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.
- 3.5.10 Automobile Liability:
Commercial/Business Automobile Liability insurance and, if necessary, Commercial Umbrella insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 each occurrence with respect to any of the Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Contractor's work or services under this Contract.
- 3.5.11 Workers' Compensation:
- 3.5.11.1 Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of the work or services under this Contract; and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.
- 3.5.11.2 Contractor waives all rights against County and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract.

3.5.12 Certificates of Insurance.

- 3.5.12.1 Prior to commencing work or services under this Contract, Contractor shall furnish the County with valid and complete certificates of insurance, or formal endorsements as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.
- 3.5.12.2 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon ten (10) business days. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**
- 3.5.12.3 In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.
- 3.5.12.4 If a policy does expire during the life of the Contract, a renewal certificate must be sent to County fifteen (15) days prior to the expiration date.

3.5.13 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

3.6 INTERNET ORDERING CAPABILITY:

It is the intent of County to use the Internet to communicate and to place orders under this Contract. Contractors without this capability may be considered non-responsive and not eligible for award consideration.

3.7 ORDERING AUTHORITY.

- 3.7.1 The Contractor should understand that any request for purchase of product(s) shall be accompanied by a valid purchase order, issued by Office of Procurement Services, or by a Certified Agency Procurement Aid (CAPA).
- 3.7.2 County departments, cities, other counties, schools and special districts, universities, nonprofit educational and public health institutions may also purchase from under this Contract at their discretion and/or other state and local agencies (Customers) may procure the products under this Contract by the issuance of a purchase order to the Respondent. Purchase orders must cite the Contract number.
- 3.7.3 Contract award is in accordance with the Maricopa County Procurement Code. All requirements for the competitive award of this Contract have been met. A purchase order for the product(s) is the only document necessary for Customers to purchase and for the Contractor to proceed with delivery of product(s) available under this Contract.
- 3.7.4 Any attempt to represent any product not specifically awarded under this Contract is a violation of the Contract. Any such action is subject to the legal and contractual remedies available to the County, inclusive of, but not limited to, Contract cancellation, suspension and/or debarment of the Contractor.

3.8 REQUIREMENTS CONTRACT:

- 3.8.1 Contractors signify their understanding and agreement by signing a bid submittal, that the Contract resulting from the bid will be a requirements contract. However, the Contract does not guarantee any minimum or maximum number of purchases will be made. It only indicates that if purchases are made for the materials contained in the Contract, they will be purchased from the Contractor awarded that item. Orders will only be placed when the County identifies a need and proper authorization and documentation have been approved.
- 3.8.2 County reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor but only for actual and documentable costs incurred by the Contractor due to and after issuance of the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc.
- 3.8.3 Contractors agree to accept verbal notification of cancellation from the County Procurement Officer with written notification to follow. By submitting a bid in response to this Invitation for Bids, the Contractor specifically acknowledges to be bound by this cancellation policy.

3.9 UNCONDITIONAL TERMINATION FOR CONVENIENCE:

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

3.10 TERMINATION FOR DEFAULT:

If the Contractor fails to meet deadlines, or fails to provide the agreed upon service/material altogether, a termination for default will be issued. The termination for default will be issued only after the County deems that the Contractor has failed to remedy the problem after being forewarned.

3.11 TERMINATION BY THE COUNTY:

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate the Contract. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of a substantial violation of any provision of this Contract, then the County may terminate the Contract. Prior to termination of the Contract, the County shall give the Contractor fifteen- (15) calendar day's written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

3.12 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel any Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

3.13 OFFSET FOR DAMAGES;

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance of the contract.

3.14 ADDITIONS/DELETIONS OF SERVICE:

3.14.1 The County reserves the right to add and/or delete materials to a Contract. If a service requirement is deleted, payment to the Contractor will be reduced proportionately, to the amount of service reduced in accordance with the bid price. If additional materials are required from a Contract, prices for such additions will be negotiated between the Contractor and the County.

3.14.2 The County reserves the right of final approval on proposed staff for all Task Orders. Also, upon request by the County, the Contractor will be required to remove any employees working on County projects and substitute personnel based on the discretion of the County within two business days, unless previously approved by the County.

3.15 SUBCONTRACTING:

3.15.1 The Contractor may not assign a Contract or Subcontract to another party for performance of the terms and conditions hereof without the written consent of the County. All correspondence authorizing subcontracting must reference the Bid Serial Number and identify the job project.

3.15.2 The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as bid in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

3.16 AMENDMENTS:

All amendments to this Contract shall be in writing and approved/signed by both parties. Maricopa County Office of Procurement Services shall be responsible for approving all amendments for Maricopa County.

3.17 ACCESS TO AND RETENTION OF RECORDS FOR THE PURPOSE OF AUDIT AND/OR OTHER REVIEW:

3.17.1 In accordance with section MCI 371 of the Maricopa County Procurement Code the Contractor agrees to retain all books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract for six (6) years after final payment or until after the resolution of any audit questions which could be more than six (6) years, whichever is latest. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

3.17.2 If the Contractor's books, records, accounts, statements, reports, files, and other records and back-up documentation relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

3.17.3 If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance. The course of action to address the disallowance shall be at sole discretion of the County, and may include either an adjustment to future claim submitted by the Contractor by the amount of the disallowance, or to require reimbursement forthwith of the disallowed amount by the Contractor by issuing a check payable to Maricopa County.

3.18 AUDIT DISALLOWANCES:

If at any time it is determined by the County that a cost for which payment has been made is a disallowed cost, the County shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the County either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

3.19 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of the Contract.

3.20 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from a Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to a Contract and to the performance thereunder.

3.21 RELATIONSHIPS:

In the performance of the services described herein, the Contractor shall act solely as an independent contractor, and nothing herein or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the County and the Contractor.

3.22 CERTIFICATION REGARDING DEBARMENT AND SUSPENSION

3.22.1 The undersigned (authorized official signing for the Contractor) certifies to the best of his or her knowledge and belief, that the Contractor, defined as the primary participant in accordance with 45 CFR Part 76, and its principals:

3.22.1.1 are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal Department or agency;

3.22.1.2 have not within 3-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3.22.1.3 are not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and

3.22.1.4 have not within a 3-year period preceding this Contract had one or more public transaction (Federal, State or local) terminated for cause of default.

3.22.2 Should the Contractor not be able to provide this certification, an explanation as to why should be attached to the Contract.

3.22.3 The Contractor agrees to include, without modification, this clause in all lower tier covered transactions (i.e. transactions with subcontractors) and in all solicitations for lower tier covered transactions related to this Contract.

3.23 VERIFICATION REGARDING COMPLIANCE WITH ARIZONA REVISED STATUTES §41-4401 AND FEDERAL IMMIGRATION LAWS AND REGULATIONS:

- 3.23.1 By entering into the Contract, the Contractor warrants compliance with the Immigration and Nationality Act (INA using e-verify) and all other federal immigration laws and regulations related to the immigration status of its employees and A.R.S. §23-214(A). The contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the Immigration Reform and Control Act of 1986, as amended from time to time, for all employees performing work under the Contract and verify employee compliance using the E-verify system and shall keep a record of the verification for the duration of the employee's employment or at least three years, whichever is longer. I-9 forms are available for download at USCIS.GOV.
- 3.23.2 The County retains the legal right to inspect contractor and subcontractor employee documents performing work under this Contract to verify compliance with paragraph 3.23.1 of this Section. Contractor and subcontractor shall be given reasonable notice of the County's intent to inspect and shall make the documents available at the time and date specified. Should the County suspect or find that the Contractor or any of its subcontractors are not in compliance, the County will consider this a material breach of the contract and may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

3.24 CONTRACTOR LICENSE REQUIREMENT:

- 3.24.1 The Respondent shall procure all permits, insurance, licenses and pay the charges and fees necessary and incidental to the lawful conduct of his/her business, and as necessary complete any required certification requirements, required by any and all governmental or non-governmental entities as mandated to maintain compliance with and in good standing for all permits and/or licenses. The Respondent shall keep fully informed of existing and future trade or industry requirements, Federal, State and Local laws, ordinances, and regulations which in any manner affect the fulfillment of a Contract and shall comply with the same. Contractor shall immediately notify both Office of Procurement Services and the using agency of any and all changes concerning permits, insurance or licenses.
- 3.24.2 Respondents furnishing finished products, materials or articles of merchandise that will require installation or attachment as part of the Contract, shall possess any licenses required. A Respondent is not relieved of its obligation to possess the required licenses by subcontracting of the labor portion of the Contract. Respondents are advised to contact the Arizona Registrar of Contractors, Chief of Licensing, at (602) 542-1525 to ascertain licensing requirements for a particular contract. Respondents shall identify which license(s), if any, the Registrar of Contractors requires for performance of the Contract.

3.25 INFLUENCE

As prescribed in MC1-1202 of the Maricopa County Procurement Code, any effort to influence an employee or agent to breach the Maricopa County Ethical Code of Conduct or any ethical conduct may be grounds for Disbarment or Suspension under MC1-902.

An attempt to influence includes, but is not limited to:

- 3.25.1 A Person offering or providing a gratuity, gift, tip, present, donation, money, entertainment or educational passes or tickets, or any valuable contribution or subsidy,
- 3.25.2 That is offered or given with the intent to influence a decision, obtain a contract, garner favorable treatment, or gain favorable consideration of any kind.

If a Person attempts to influence any employee or agent of Maricopa County, the Chief Procurement Officer, or his designee, reserves the right to seek any remedy provided by the Maricopa County Procurement Code, any remedy in equity or in the law, or any remedy provided by this contract.

3.26 PUBLIC RECORDS:

All Offers submitted and opened are public records and must be retained by the Records Manager at the Office of Procurement Services. Offers shall be open to public inspection after Contract award and execution, except for such Offers deemed to be confidential by the Office of Procurement Services. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential, the specific information and submit a statement with its offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The Records Manager of the Office of Procurement Services shall determine whether the identified information is confidential pursuant to the Maricopa County Procurement Code.

3.27 POST AWARD MEETING:

The Contractor may be required to attend a post-award meeting with the Using Agency to discuss the terms and conditions of this Contract. This meeting will be coordinated by the Procurement Officer of the Contract.

COOPERATIVE PURCHASE CONTRACT
Maricopa County Contract No. 13118-C

This Cooperative Purchase Contract is made and entered into this 5th day of July, 2016 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Vogel Traffic Services, Inc. dba EZ-Liner Industries ("Contractor").

RECITALS:

- A. Contractor has a contract with Maricopa County to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process;
- B. the City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract;

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

- 1. Materials and or Services Purchased. Contractor shall provide to City the materials and or services, as specified in the Purchase Order(s) submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

One EZ-Liner Model AL500-EZ Highway Striper Paint Truck.

- 2. Specific Requirements of City. Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or Exhibit A attached hereto and incorporated by reference.
- 3. Payment. Payment to the Contractor for the materials and or services provided shall be made in accordance with the price list and terms set forth in the Agency Contract.
- 4. Terms and Conditions of Agency Contract Apply. All provisions of the Agency Contract documents, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. The Agency Contract documents may be located at the following website: <http://www.maricopa.gov/procurement/Contracts.aspx> and are incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract.
- 5. Certificates of Insurance. All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.
- 6. Term. This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

7. Renewal. This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

CONTRACTOR:

By: Vogel Traffic Services, Inc. dba EZ-Liner Industries

Title: _____

CITY OF FLAGSTAFF

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT A
SPECIFIC REQUIREMENTS OF CITY

Price: "Per Purchase Order"

Specifications: "Per Purchase Order"

Schedule of performance: "Per Purchase Order"

Delivery location: "Per Purchase Order"

Notices: All notices to City shall be sent to:

Buyer: Eileen Brown, Senior Procurement Specialist
Purchasing Department
211 W. Aspen Drive
Flagstaff, Arizona 86001
(928) 213-2278

Attach: Certificate of Insurance

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Gregory Conlin, Public Works Manager - Fleet Services
Co-Submitter: Jeremy Floyd
Date: 06/10/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Purchase: Purchase of two (2) Commercial Front Load Refuse Trucks and one (1) Residential Side Load Refuse Truck from Rush Truck Center Arizona through the Cooperative Purchase Agreement with the City of Tempe, Contract # T15-097-01.

RECOMMENDED ACTION:

Approve the purchase of two (2) Commercial Front Load Refuse Trucks in the amount of \$261,268.22 each and one (1) Residential Side Load Refuse Truck in the amount of \$266,767.51 for a total purchase amount of \$ 789,303.95 from Rush Truck Center Arizona through the Cooperative Purchase agreement with the City of Tempe, Contract #T15-097-01.

Executive Summary:

The Solid Waste Commercial and Residential Programs use these trucks daily to collect commercial and residential refuse and recyclable materials. The purchase of these trucks has been approved by the Fleet Management Committee; the trucks that are being replaced meet the City's Fleet Management replacement criteria. The Equipment warranty and services are supported locally in Flagstaff by Rush (Peterbilt) Truck Centers Arizona.

Financial Impact:

The Solid Waste Commercial and Residential Programs have \$ 744,500 budgeted in the Fleet Capital line item for the replacement of these trucks in FY 2017 in accounts 211-06-166-0641-0-4401, 211-06-166-0646-0-4401 and 211-06-166-0648-0-4401. The balance will come from Solid Waste account 211-06-165-0630-0-4410.

Connection to Council Goal:**COUNCIL GOAL:**

3. Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics

Has There Been Previous Council Decision on This:

No. These trucks are budgeted FY 2017 and are replacement trucks for Solid Waste Collection Operations.

Options and Alternatives:

Option 1. Approve the City of Tempe's Cooperative purchase agreement (#T15-097-01) with Rush Truck Center Arizona for the purchase of two (2) Commercial Front Load Refuse Trucks and one (1) Residential Side Loader Refuse Truck.

Option 2. Conduct our own competitive bid process.

Option 3. Attempt to acquire used parts and service resources (in the case of American LaFrance equipment) from independent vendors and internal resources to keep our aging equipment in service.

Background/History:

During the annual budget process for 2015-2016, Solid Waste was approved to purchase four collection vehicles, which were approved by the City Council for purchase in March of 2016. The purchase of these three proposed collection vehicles were approved in the Fiscal Year 2016-2017 equipment replacement budget and provide for the sustainable operation of Solid Waste Collection services.

All of the trucks being considered for replacement meet the City's Fleet Management criteria for replacement for mileage/hours used and life to date costs. All proposed fleet purchases were approved by the Fleet Management Committee for replacement. Access to parts and diagnostic support has become more challenging for the equipment to be replaced and the Fleet Management Committee used the appropriate criteria such as life to date repair costs to score and approve these replacement requests. The four (4) Solid Waste vehicles approved for replacement in February and ordered in March were planned and budgeted for in the fiscal year 2016 budget and the three (3) Solid Waste vehicles under consideration for fiscal year 2017 were appropriately planned and budgeted.

Key Considerations:

With this purchase the Solid Waste Section will have ten (10) Peterbilt cab/chassis' in their Fleet. The City of Flagstaff and Fleet Services have had a long working relationship with Rush (Peterbilt) Truck Centers here in Flagstaff and they will be able to provide warranty and post warranty repair if needed. Having additional local resources to support our Sections is a direct connection to supporting Council's goal of providing "sustainable and equitable" services to our population. Fleet Services will also be authorized to perform warranty repair on these refuse bodies and be eligible for reimbursement.

Expanded Financial Considerations:

Increased costs of equipment acquisition have made intergovernmental cooperative purchase agreements a viable alternative to the bid process when the desired equipment can be obtained. Volume pricing, expedited build times and delivery provide value to the purchaser. We are utilizing a cooperative agreement pursuant to Article 20 of the City of Flagstaff Procurement Manual.

Community Benefits and Considerations:

Community benefits include continued consistent quality Commercial and Residential trash and recycle collection service at the lowest possible user fees.

In addition, having modern, clean and efficient collection equipment with the most advanced emission control and fuel saving technology in our fleet portrays a positive image to the community we serve.

Community Involvement:

Inform

Expanded Options and Alternatives:

Option 1. Accept the City of Tempe's Cooperative purchase agreement (#T15-097-01) with Rush Truck Center Arizona for the purchase of two (2) Commercial Front Loader Refuse Trucks and one (1) Residential Side Loader Refuse Truck.

Option 2. Conduct our own competitive bid process.

Option 3. Attempt to acquire used parts and service resources (in the case of American LaFrance equipment) from independent vendors and internal resources to keep our aging equipment in service.

Attachments:

- Front - Side Loader Quote
- Cooperative Contract
- Cooperative Purchase Agreement



Rush Truck Center, Phoenix
9600 W. Roosevelt St.
Tolleson, AZ 85353
602-422-8100

Customer Proposal Letter

CITY OF FLAGSTAFF
211 West Aspen Ave.
Flagstaff, AZ 86001
(928) 213-2278
embrown@flagstaffaz.gov
EILEEN BROWN

EILEEN BROWN, thank you for the opportunity to earn your business. We look forward to working with you on your business needs. Please accept the following proposal.

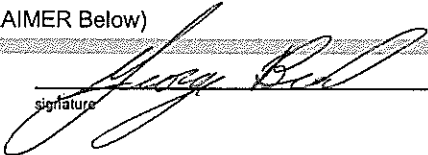
VEHICLE

Make Peterbilt Model 320 Year 2017 Stock Number To Be Determined
Additional Vehicle and Accessories Description To be delivered on or about 12/1/2016

PRICING INCLUDES: SCORPION SIDE LOAD BODY PER ATTACHED.
PRICING BASED ON CITY OF TEMPE CONTRACT.

Quantity	1	Total
Truck Price per Unit	\$246,050.33	\$246,050.33
F.E.T. (Factory & Dealer Paid)	\$0.00	\$0.00
Net Sales Price	\$246,050.33	\$246,050.33
Optional Extended Warranty(ies)		
State Sales Tax	\$20,422.18	\$20,422.18
Documentary Fee	\$250.00	\$250.00
Administration Fee		
Vehicle Inventory Tax		
Additional Taxes	\$25.00	\$25.00
Tire Recycling Program	\$20.00	\$20.00
Battery Disposal Fee		
Out of State Vehicle Fee		
Rebate(s)		
Total Sales Price (Including Rebate(s))	\$266,767.51	\$266,767.51
Trade Allowance (see DISCLAIMER Below)		\$0.00

Sales Representative


signature

George Beal
printed name

Purchaser

signature

printed name

title

date

Accepted by Sales Manager or
General Manager

signature

printed name

Quote good until 10/1/2016

Note: The above Customer Proposal is a quotation only. Sale terms subject to approval of Sales Manager of Dealer.

DISCLAIMER: Any order based on this Proposal subject to Customer executing Dealer's standard form Retail Purchase Order incorporating above terms. Any documentary fees, state tax, title, registration and license fees subject to adjustment and change. Actual F.E.T. to be paid by Dealer, subject to adjustment. Any F.E.T. variance will be responsibility of Dealer. Manufacturer has reserved the right to change the price to Dealer of any vehicle not currently in Dealer's stock, without notice to Dealer. If Quoted Vehicle(s) not currently in Dealer's stock, Dealer reserves right to change Quotation Total to reflect any price increases from Manufacturer. This Proposal is based upon Dealer's current and expected inventory, which is subject to change. Dealer not obligated to retain any specific vehicles in stock, nor maintain any specific inventory level. Dealer shall not be obligated to fulfill Proposal in event quoted vehicle(s) not in stock or available within requested delivery schedule at time Proposal accepted. Dealer shall not be liable for any delay in providing or inability to provide Quoted Vehicle(s), where such inability or delay is due, in whole or in part, to any cause beyond the reasonable control of Dealer or is without the gross negligence or intended misconduct of Dealer. Above listed Trade Value based upon current appraisal of Trade Vehicle(s). Dealer may adjust Trade Value of Trade Vehicle(s) to reflect changes in condition and/or mileage of Trade Vehicle(s) between date of current appraisal and acceptance of this Proposal by Customer.



Rush Truck Center, Phoenix
9600 W. Roosevelt St.
Tolleson, AZ 85353
602-422-8100

Customer Proposal Letter

CITY OF FLAGSTAFF
211 West Aspen Ave.
Flagstaff, AZ 86001
(928) 213-2278
embrown@flagstaffaz.gov
EILEEN BROWN

EILEEN BROWN, thank you for the opportunity to earn your business. We look forward to working with you on your business needs. Please accept the following proposal.

VEHICLE

Make Peterbilt Model 320 Year 2017 Stock Number To Be Determined
Additional Vehicle and Accessories Description To be delivered on or about 12/1/2016

PRICING INCLUDES: MCNEILUS FRONT LOAD BODY.
PRICING BASED ON CITY OF TEMPE CONTRACT.

Quantity	2	Total
Truck Price per Unit	\$240,972.50	\$481,945.00
F.E.T. (Factory & Dealer Paid)	\$0.00	\$0.00
Net Sales Price	\$240,972.50	\$481,945.00
Optional Extended Warranty(ies)		
State Sales Tax	\$20,000.72	\$40,001.44
Documentary Fee	\$250.00	\$500.00
Administration Fee		
Vehicle Inventory Tax		
Additional Taxes	\$25.00	\$50.00
Tire Recycling Program	\$20.00	\$40.00
Battery Disposal Fee		
Out of State Vehicle Fee		
Rebate(s)		
Total Sales Price (Including Rebate(s))	\$261,268.22	\$522,536.44
Trade Allowance (see DISCLAIMER Below)		\$0.00

Sales Representative


signature

George Beal
printed name

Purchaser

signature

printed name

title

date

Accepted by Sales Manager or
General Manager

signature

printed name

Quote good until 10/1/2016

Note: The above Customer Proposal is a quotation only. Sale terms subject to approval of Sales Manager of Dealer.

DISCLAIMER: Any order based on this Proposal subject to Customer executing Dealer's standard form Retail Purchase Order incorporating above terms. Any documentary fees, state tax, title, registration and license fees subject to adjustment and change. Actual F.E.T. to be paid by Dealer, subject to adjustment. Any F.E.T. variance will be responsibility of Dealer. Manufacturer has reserved the right to change the price to Dealer of any vehicle not currently in Dealer's stock, without notice to Dealer. If Quoted Vehicle(s) not currently in Dealer's stock, Dealer reserves right to change Quotation Total to reflect any price increases from Manufacturer. This Proposal is based upon Dealer's current and expected inventory, which is subject to change. Dealer not obligated to retain any specific vehicles in stock, nor maintain any specific inventory level. Dealer shall not be obligated to fulfill Proposal in event quoted vehicle(s) not in stock or available within requested delivery schedule at time Proposal accepted. Dealer shall not be liable for any delay in providing or inability to provide Quoted Vehicle(s), where such inability or delay is due, in whole or in part, to any cause beyond the reasonable control of Dealer or is without the gross negligence or intended misconduct of Dealer. Above listed Trade Value based upon current appraisal of Trade Vehicle(s). Dealer may adjust Trade Value of Trade Vehicle(s) to reflect changes in condition and/or mileage of Trade Vehicle(s) between date of current appraisal and acceptance of this Proposal by Customer.

Contract Award Notice



City Procurement Office/City of Tempe • PO Box 5002 • 20 East 6th Street • Tempe, AZ 85280 • (480) 350-8324 • www.tempe.gov/procurement

Contract Number: T15-097-01

Rush Truck Centers of Arizona, Inc,
dba Rush Truck Center of Phoenix
George Beal
9600 W. Roosevelt Street
Tolleson AZ 85353

Contract Period 08/17/2015
To
08/16/2016

Phone: (602)422.8122
bealg@rushenterprises.com

Vendor Number: 00618

Solicitation/Contract Requirements


This Contract Award Notice is issued for the purchase of Refuse Vehicles per the terms, conditions, specifications and requirements of RFP #15-097. The contract shall remain in effect through 08/16/2016 unless extended, renewed or canceled per terms and conditions of T15-097-01. It is to be noted that any contracted vendor document(s) that conflict with the language and requirements of the City's solicitation are not acceptable and will void the contract. In addition, contracted vendor is not to begin work or make delivery of awarded items until any and all required insurance and/or performance bonds are posted with the City Procurement Office.


Item No.	Pricing Item Description	Unit Price
Per contract documents		

Vendor Address Change

If contracted vendor has a change of address for mailing payments and/or for mailing future bid solicitations, it is the vendor's responsibility to notify the City Procurement Officer identified with this contract and to ensure all such mailing address information is kept current. At least once a year, contact the Procurement Officer identified for this contract and ensure your current address has been entered to the City Procurement Office automated system.

Please note that your City of Tempe contract number is T15--01. This number must appear on all receivers, invoices and statements. Payment will be made on a monthly basis following receipt of a monthly itemized statement. Monthly invoices must be segregated by City departments and mailed directly to each City customer department. Invoices must be mailed to the following address: City of Tempe, Division, Attn:, P.O. Box 5002, Tempe, AZ. 85280. Statements must be mailed to: City of Tempe, Accounting PO Box 5002, Tempe, Arizona 85280.


Tony Allen, CPPB
Procurement Officer
(480) 350-8548


Michael Greene, CPM
Central Services Administrator

THIS IS NOT A PURCHASE ORDER.
All terms and conditions of this Award Document are per the City's Solicitation Document

Notification of Award Recommendation

Date of notification: Tuesday, August 11, 2015

Solicitation number: 15-097

Solicitation description: Refuse Vehicles

Council session date: Thursday, August 13, 2015

Firm(s) recommended for award of contract: Rush Truck Centers of Arizona

Additional Council information regarding this recommendation is available using the following links:

http://documents.tempe.gov/sirepub/?sort=meet_date%20desc

The City of Tempe's contract decision making process involves complex scoring matrices that assist the committee in determining the most qualified firm(s) for a particular solicitation. These documents are not typically available with the information posted by the City Clerk. These documents become public records after Council's approval of the recommendation.

Firms are encouraged to contact the appropriate Procurement Officer (noted below) with questions regarding the City's selection process or to schedule an appointment to review and discuss the scoring selection process employed by the City.

The table below provides the contact information for this solicitation:

Procurement Officer: Tony Allen
Phone Number: (480)350.8548
Email Address: tony_allen@tempe.gov

The City wishes to thank you for taking the time to prepare and submit your offer. We value your involvement in this process and look forward to your continued interest in working with our City. In order to ensure continuous improvement in our operations, we have instituted a supplier survey that we encourage you to complete.

<https://www.surveymonkey.com/s/KK5ZFVG>

The City encourages all firms to verify that they have formally registered with the City of Tempe so that future bid opportunities are not missed. You can contact the person referenced above to verify your registration status, or you can register as a vendor by visiting our web site at www.tempe.gov/procurement - select the link marked "Supplier Registration", then select the "register or log-in" link.

Vendor's Offer
Form 201-B (RFP)
"Return this Section with your Response"

It is required that Offeror complete, sign and submit the original of this form to the City Procurement Office with the proposal response. An unsigned "Vendor's Offer", late proposal response and/or a materially incomplete response will be considered nonresponsive and rejected.

Offeror is to type or legibly write in ink all information required below.

Company Name: <u>Push Truck Centers of Arizona, Inc DBA Push Truck Center Phoenix</u>	
Company Mailing Address: <u>9600 W. Roosevelt St.</u>	
City: <u>Tolleson</u>	State: <u>Arizona</u> Zip: <u>85353</u>
Contact Person: <u>George Beal</u>	Title: <u>Sales Representative</u>
Phone No.: <u>602-422-8122</u> FAX: <u>602-422-8175</u> E-mail: <u>george@pushenterprises.com</u>	
<u>Company Tax Information:</u>	
Arizona Transaction Privilege (Sales) Tax No.: <u>07-599669-K</u> or	
Arizona Use Tax No.: _____	
Federal I.D. No.: <u>74-2927286</u>	
City & State Where Sales Tax is Paid: <u>Tolleson, Arizona</u>	
If a Tempe based firm, provide Tempe Transaction Privilege (Sales) Tax No.: _____	

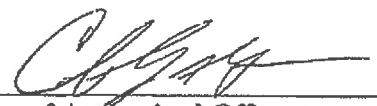
THIS PROPOSAL IS OFFERED BY

Name of Authorized Individual (TYPE OR PRINT IN INK) Chris Ryan

Title of Authorized Individual (TYPE OR PRINT IN INK) Regional Manager

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR (MUST SIGN IN INK)

By signing this Vendor's Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. Failure to sign and return this form with proposal response will be considered nonresponsive and rejected.



Signature of Authorized Offeror
(H/RFP 3-2008)

5/7/2015

Date

COOPERATIVE PURCHASE CONTRACT

Contract No. T-15-097-01

This Cooperative Purchase Contract is made and entered into this 5th day of July, 2016 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Rush Truck Center of Arizona, ("Contractor").

RECITALS:

- A. Contractor has a contract with City of Tempe to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process;
- B. the City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract;

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

- 1. Materials and or Services Purchased. Contractor shall provide to City the materials and or services, as specified in the Purchase Order(s) submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

One (1) Residential Side Loader Refuse Trucks and Two (2) Commercial Front Loader Refuse Trucks per the attached proposal letters.

- 2. Specific Requirements of City. Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or Exhibit A attached hereto and incorporated by reference.
- 3. Payment. Payment to the Contractor for the materials and or services provided shall be made in accordance with the price list and terms set forth in the Agency Contract.
- 4. Terms and Conditions of Agency Contract Apply. All provisions of the Agency Contract documents, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. The Agency Contract documents may be located at the following website: <http://www.tempe.gov/city-hall/internal-services/finance/procurement/cooperative-procurement> and are incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract.
- 5. Certificates of Insurance. All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Term. This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.
7. Renewal. This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

CONTRACTOR:

By: Rush Truck Center of Arizona

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

EXHIBIT A
SPECIFIC REQUIREMENTS OF CITY

Price: "Per Purchase Order"

Specifications: "Per Purchase Order"

Schedule of performance: "Per Purchase Order"

Delivery location: "Per Purchase Order"

Notices: All notices to City shall be sent to:

Buyer: Eileen Brown, Senior Procurement Specialist
Purchasing Department
211 W. Aspen Drive
Flagstaff, Arizona 86001
(928) 213-2278

Attach: Certificate of Insurance

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Shannon Anderson, Human Resources Director
Co-Submitter: Di Ann Butkay
Date: 06/16/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Contract: Temporary Personnel Services.

RECOMMENDED ACTION:

- 1) Approve the proposals for the following temporary personnel agencies at the hourly rates outlined in the attached cost summary and authorize the City Manager to execute the Agreement on behalf of the City:
 - a) Performance Staffing
 - b) 22nd Century Technologies
 - c) Abacus Service Corp
 - d) Hotfoot Recruiters

Executive Summary:

City divisions may at times need temporary service personnel to fill a vacancy and/or to assist on special projects. There are two groups of temporary personnel requested 1) administrative and 2) general laborers. In addition to the jobs listed, the City reserves the right to request other job classifications at a negotiated rate if need should arise during the Agreement.

A total of six proposals were received and evaluated based on the agencies' experience and qualifications (i.e. inclusion of group one and group two, dedicated team, team's experience, government experience), method of approach (i.e. turnaround time, testing, reference, interview, training, benefits), proposed fee schedule and references. The recommendation to award to the four agencies listed above is based on their formal response to the proposal.

Human Resources previously implemented internal procedures for requesting temporary personnel that will continue to be followed. The hiring supervisor may initiate the request for temporary personnel directly to the temporary personnel agency. Human Resources may assist the hiring supervisor as needed.

Financial Impact:

The temporary personnel expenditure will be charged to the appropriate division/section budget.

Year to date expenditures citywide for 2015 were \$73,921.86 and in 2016 are \$29,603.36.

Connection to Council Goal and/or Regional Plan:

COUNCIL GOALS:

- 1) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 2) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments
- 3) Support and assist the most vulnerable

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

Another option would be to recruit and hire all temporary personnel in lieu of utilizing temporary personnel service agencies. The benefit of doing this would be the City would not pay administrative costs to personnel agencies for their administration. However, it would take longer to fill such vacancies due to having to recruit to find temporary personnel to do the work and the temporary personnel may be less interested in working for the City given there is only one short-term assignment versus working for a temporary personnel agency provide access to multiple short-term assignments.

Background/History:

The City solicited a request for proposal in March of 2016 for Temporary Personnel Service. The purpose and intent of the proposal was to establish one or more qualified vendor(s) to provide a variety of Temporary Personnel Services complying with all State, Federal and Local Laws (including the Americans with Disability Act, Title VII of the Civil Rights Act of 1964, Age Discrimination in Employment Act, Civil Rights Act of 1991, Patient Protection and Affordable Care Act).

Key Considerations:

Six proposals were received and evaluated using the following criteria; experience and qualifications, method of approach, fee schedule and references. The review committee selected the top four (4) respondents to award; Performance Staffing, 22nd Century Technologies, Abacus Service Corp and HotFoot Recruiters The initial contract will be awarded for one (1) year with an option to extend for up to four (4) additional one year periods. Proposed fee rates shall be firm for one (1) year from date of award.

Community Benefits and Considerations:

By entering into contracts with Performance Staffing, 22nd Century Technologies, Abacus Service Corp and HotFoot Recruiter, Staff will be able to continue to provide safe, timely and cost effective services to the community.

Community Involvement:

Inform

Expanded Options and Alternatives:

Approve the contracts with Performance Staffing, 22nd Century Technologies, Abacus Service Corp and HotFoot Recruiter to provide Temporary Personnel to maintain services with minimal disruptions on an as needed basis.

Reject the recommendation to contract with Performance Staffing, 22nd Century Technologies, Abacus Service Corp and HotFoot Recruiter to provide Temporary Personnel and have staff go through a hiring process, delaying service response to citizens, or have Staff re-bid the proposal.

Contract Exhibit B

Contract Exhibit C

Contract

Fee Schedule

PROJECT NAME**TEMPORARY PERSONNEL SERVICES**

2015-50

Evaluation Scores (total scores from each individual)					
Firms	Rev #1	Rev #2	Rev #3	Rev #4	Total
AZ Labor Force	49	59	57	0	165
Performance Staffing	70	90	78	0	238
HotFoot Recruiters	55	50	67	0	172
22nd Century Technologies	60	59	63	0	182
Randstad	56	48	59	0	163
Abacus Service Corp	56	58	65	0	179

CITY OF FLAGSTAFF
STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.
2. **LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.
3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.
4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.
5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.
7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials, and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.
8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.
9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to City upon City's acceptance of the materials.
10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery, and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.
12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.
13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the contract a breach of the contract as a whole.
14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.
15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.
16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.
18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.
19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.
21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.
22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.
23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.
24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.
26. **CONTROL:** Contractor shall be responsible for the control of the work.
27. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.
28. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.
29. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.
30. **ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.
31. **WARRANTY:** Contractor warrants all work for a period of one (1) year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one-year warranty is in addition to, and does not limit

Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

- 32. **RECORDS:** The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.
- 33. **RIGHT TO INSPECT BUSINESS:** The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.
- 34. **PUBLIC RECORDS:** This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.
- 35. **CONTRACT ADMINISTRATION:** Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

- 36. **GENERAL INDEMNIFICATION:** Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.
- 37. **INSURANCE:** Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.
- 38. **INTELLECTUAL PROPERTY INDEMNIFICATION:** Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorneys fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

39. **PRICE INCREASES:** Except as expressly provided for in the Contract, no price increases will be approved.
40. **COMPLETE AGREEMENT:** The Contract is intended to be the complete and final agreement of the parties.
41. **AMENDMENTS:** This Contract may be amended by written agreement of the parties.
42. **SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.
43. **NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.
44. **ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.
45. **BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

46. **SUBCONTRACTING:** Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.
47. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02 Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.
48. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.
49. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its employees

and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

- 50. TERMINATION FOR DEFAULT:** Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.
- 51. CITY REMEDIES:** In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.
- 52. CONTRACTOR REMEDIES:** In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.
- 53. SPECIAL DAMAGES:** In the event of default, neither party shall be liable for incidental, special, or consequential damages.
- 54. TERMINATION FOR NONAPPROPRIATION OF FUNDS:** The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.
- 55. TERMINATION FOR CONVENIENCE:** Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.
- 56. TERMINATION DUE TO INSOLVENCY:** If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy

law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

- 57. **PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.
- 58. **CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.
- 59. **CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

- 60. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.
- 61. **NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent. Notice may be sent by email as a secondary form of notice.
- 62. **THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.
- 63. **GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.
- 64. **FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.
- 65. **ATTORNEYS FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys fees, costs, professional fees and expenses.

EXHIBIT C
INSURANCE

1. In General. Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with this Contract by the Contractor, its agents, representatives, employees or contractors.
2. Requirement to Procure and Maintain. Each insurance policy required by this Contract shall be in effect at, or before, commencement of work under this Contract and shall remain in effect until all Contractor's obligations under this Contract have been met, including any warranty periods. The Contractor's failure to maintain the insurance policies as required by this Contract or to provide timely evidence of renewal will be considered a material breach of this Contract.
3. Minimum Scope and Limits of Insurance. The following insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City does not represent or warrant that the minimum limits set forth in this Contract are sufficient to protect the Contractor from liabilities that might arise out of this Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

Contractor shall provide coverage at least as broad and with limits not less than those stated below.

a. Commercial General Liability - Occurrence Form

General Aggregate	\$2,000,000
Products/Completed Operations	\$1,000,000
Each Occurrence	\$1,000,000

b. Umbrella Coverage \$2,000,000

c. Automobile Liability –
Any Automobile or Owned, Hired
and Non-owned Vehicles
Combined Single Limit Per Accident
for Bodily Injury & Property Damage \$1,000,000

d. Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	\$500,000
Disease - Each Employee	\$500,000
Disease - Policy Limit	\$500,000

[OPTION: e. Professional Liability \$2,000,000]

4. Self-Insured Retention. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that the insurer reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and volunteers. Contractor shall be solely responsible for any self-insured retention amounts. City at its option may require

Contractor to secure payment of such self insured retention by a surety bond or irrevocable and unconditional letter of credit.

5. Other Insurance Requirements. The policies shall contain, or be endorsed to contain, the following provisions:
 - a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.
 - b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.
 - c. Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents and employees, shall be in excess of the coverage of the Contractor's insurance and shall not contribute to it.
 - d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.
 - f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.
6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:

Attention: Di Ann Butkay, Buyer
Contract No. 2015-50 Temporary Personnel Services
Purchasing Department
City of Flagstaff,
211 W. Aspen Avenue
Flagstaff, Arizona 86001.
7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance.

The City project/contract number and project description shall be noted on the certificates of insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.

9. Policies. The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by this Contract at any time. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under this Contract.
10. Modifications. Any modification or variation from the insurance requirements in this Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.

CONTRACT FOR PROFESSIONAL SERVICES

Contract No. _____

This Contract is entered into this _____ day of _____, 20____ by and between the City of Flagstaff, a political subdivision of the State of Arizona ("City"), and _____,

WHEREAS, the City of Flagstaff desires to receive and Contractor is able to provide professional services;

NOW THEREFORE, in consideration for the mutual promises contained herein, the City and Contractor (the "parties") agree as follows:

SERVICES

1. Scope of Work: Contractor shall provide the professional services generally described as follows:

TEMPORARY PERSONNEL SERVICES

and as more specifically described in the scope of work attached hereto as Exhibit A.

2. Schedule of Services: Contractor shall perform all work per the schedule set forth in Exhibit A.
3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as Exhibit B are hereby incorporated by reference and shall apply to performance of this Contract, except to the extent modified in Exhibit A.

CITY RESPONSIBILITIES

4. City Representative: The City Representative is Shannon Anderson, Human Resources Manager, or his/her designee. All communications to the City shall be through the City Representative. City Representative is responsible for bringing any request for a contract amendment or price adjustment to the attention of the City Buyer.
5. City Cooperation: City will cooperate with Contractor by placing at its disposal all available information concerning the City, City property, or the City project reasonably necessary for Contractor's performance of this Contract.

CONTRACT TERM

6. Contract Term: The Contract shall be effective as of the date signed by both parties. Initial one year contract period commencing on _____, 20____.
7. Renewal: This Contract may be renewed for up to four (4) additional one (1) year terms by mutual written consent of the parties. The City Manager or his designee (the Purchasing Director) shall have authority to approve renewal on behalf of the City.
8. Termination: This Contract may be terminated pursuant to the Standard Terms and Conditions attached hereto.

PAYMENT

9. Compensation: Contractor shall be paid for satisfactory performance of the work, in accordance with the Compensation Schedule attached hereto as part of Exhibit A.
10. Price Adjustment: If price adjustments are permitted, any price adjustment must be approved by the City in writing as a formal Contract Amendment. The City Council must approve the price adjustment if the annual contract price exceeds \$50,000; otherwise the City Manager or his designee (the Purchasing Director) shall have authority to approve a price adjustment on behalf of the City.

DATA AND RECORDS

11. City Ownership of Document and Data: Any original documents prepared or collected by Contractor in performance of this Contract such as models, samples, reports, test plans, survey results, graphics, tables, charts, plans, maps, specifications, surveys, computations and other data shall be the property of City ("City's work product"), unless otherwise agreed by the parties in writing. Contractor agrees that all materials prepared under this Contract are "works for hire" within the meaning of the copyright laws of the United States and hereby assigns to the City all rights and interests Contractor may have in the materials it prepares under this Contract, including any right to derivative use of the material.
12. Re-Use. City may use City's work product without further compensation to Contractor; provided, however, City's reuse without written verification or adaption by Contractor for purposes other than contemplated herein is at City's sole risk and without liability to Contractor. Contractor shall not engage in any conflict of interest nor appropriate any portion of City's work product for the benefit of Contractor or any third parties without City's prior written consent.
13. Delivery of Document and Data: Upon termination of this Contract in whole or part, or upon expiration if not previously terminated, Contractor shall immediately deliver to City copies all of City's work product and any other documents and data accumulated by Contractor in performance of this Contract, whether complete or in process.

INSURANCE

14. Insurance: Contractor shall meet insurance requirements of the City, set forth in Exhibit C.

MISCELLANEOUS

15. Notice: Any notice concerning this Contract shall be in writing and sent by certified mail and email as follows:

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2015-50
BUYER: Di Ann Butkay
PH: (928) 213-2276 FX: (928) 213-2209

To the City:

To Contractor:

Di Ann Butkay
City of Flagstaff
211 W. Aspen
Flagstaff, Arizona 86001
dbutkay@flagstaffaz.gov

With a copy to:

With a copy to:

Shannon Anderson

16. Authority. Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CONTRACTOR

Print name: _____

Title: _____

CITY OF FLAGSTAFF

Print name: _____

Title: _____

Attest:

City Clerk

Approved as to form:

City Attorney's Office

Notice to Proceed issued: _____, 20____

EXHIBIT A

SCOPE OF WORK/SPECIFICATIONS

Provider will comply with all State, Federal, and local laws (including the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Age Discrimination in Employment Act, and Civil Rights Act of 1991) as to treatment and compensation of its employees and Patient Protection and Affordable Care Act.

The Position Specifications outline the different type of personnel the City anticipates requesting. The City reserves the right to request temporary personnel services not listed from the Provider at an agreed upon hourly rate.

The City has the right to control the details of the temporary employees' work while assigned to the City. In the event that the temporary will be assigned driving duties, the City reserves the right to conduct a motor vehicle register check, a drug and alcohol test, and/or fingerprint verification based on position before placing the temporary in the work environment.

Provider agrees to the hourly rates as specified herein for all requested positions. Provider agrees to a maximum response time of one hour. Provider shall provide quality testing and training. Provider shall comply with all requirements relating to disclosure of information and provision of benefits pursuant to the Patient Protection and Affordable Care Act for all Provider Employees assigned to the City of Flagstaff. If Provider fails to meet the requirements of the proposal specification at any time during the term of the Agreement and or the City of Flagstaff Temporary Personnel Services Operating Procedures (Exhibit A), Temporary Services will be canceled upon 30 days written notice.

RESERVATION: The Position Specifications outline the different type of personnel the City anticipates requesting. The City reserves the right to request temporary personnel services not listed from the selected Vendor(s) at an agreed upon hourly rate.

RIGHT TO CONTROL: The City has the right to control the details of the temporary employees' work while assigned to the City. The City has the sole discretion to decide whether a proposed temporary employee is appropriate for the position sought. In the event that the temporary will be assigned driving duties, the City reserves the right to conduct a motor vehicle register check, a drug test and alcohol test, and/or fingerprint verification based on position before placing the temporary in the work environment.

CANCELLATION: If Provider(s) fails to meet the requirements of the proposal specification at any time during the term of the Agreement and or the City of Flagstaff Temporary Personnel Services Operating Procedures (Attachment A), Temporary Personnel Services will be canceled upon 30 days written notice.

PERFORMANCE QUALITY STANDARDS - TESTING REQUIREMENTS: Provider will be required to conduct a basic skills test (either on paper or computer) for temporary employees who are to be placed at the City of Flagstaff so as to determine their general skill level and to determine, when applicable, their proficiency/competence with the various requirements of typing speed and ability to use the various software programs used by the City (Microsoft Word, Excel, and Access). If requested, a copy of the test results shall be sent by facsimile or email to the City of Flagstaff Human Resources Division designee placing the request for temporary services to determine the suitability of the suggested temporary for the position.

PERFORMANCE QUALITY STANDARDS - REFERENCE REQUIREMENT: Provider will check References for temporaries to be placed in general, administrative, labor, positions to determine if past

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2015-50
BUYER: Di Ann Butkay
PH: (928) 213-2276 FX: (928) 213-2209

employers felt their knowledge, skills, and abilities were adequate, rehire status, and to the extent possible, that there were no behavioral problems. If the temporary employee is a former City of Flagstaff employee, the City Human Resources Section must be notified before any discussion of placement as a temporary employee at the City occurs. The City reserves the right to conduct further background checks on temporaries if it deems necessary.

HIRING OF TEMPORARY EMPLOYEES AS CITY EMPLOYEES: The Provider shall not be entitled to any referral fee or placement fee from the City of Flagstaff should the City hire any agency temporary employee for a regular City position.

TEMPORARY SERVICES 2015-50

	Administrative						Maintenance Worker			
	Assistant		Specialist		Equipment Operator		Parks/Landfill		Snow	
	With Healthcare	Without Healthcare	With Healthcare	Without Healthcare	With Healthcare	Without Healthcare	With Healthcare	Without Healthcare	With Healthcare	Without Healthcare
Performance Staffing	12.65 to 14.83		15.18 to 17.65		19.20		12.35 to 14.65		13.50	
22nd Century Technologies Inc	No Bid	15.00 to 22.00	20.00 to 30.00	18.00 to 25.00	18.00 to 28.00	15.00 to 25.00	20.00 to 30.00	16.00 to 26.00	15.00 to 25.00	15.00 to 25.00
Abacus Service Corp	20.7	20.25	28.98	28.35	No Bid		No Bid		No Bid	
HotFoot Recruiters	35% Mark up with 1.5 times billing rate for overtime									

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Don Jacobson, Court Administrator
Date: 06/02/2016
Meeting Date: 07/05/2016



TITLE:

Consideration of Appointments: On-Call Judges for the Flagstaff Municipal Court

RECOMMENDED ACTION:

Approve the appointments as recommended by Hon. Thomas L. Chotena, Presiding Magistrate of the Flagstaff Municipal Court.

Executive Summary:

- Appointment of all magistrates is required to be performed by the Flagstaff City Council under both the City Charter and FCC **SECTION 1-15-001-0002(C)(1)**.
- Appointment of On-Call judges allows for ongoing coverage of cases that other judges have a conflict of interest in and provides coverage for initial appearances as required by law within 24 hours following arrest (including weekend and holidays), provides for coverage for absences of other judges due to illness or planned absences and allows for additional operations to be performed as the court calendar allows.
- On-Call judges are appointed as full Magistrates, but are used only on an as-needed basis for the court. All On-Call judges work less than 20 hours per week and usually have hours that are rotating or are based on need for the week.

Financial Impact:

All funding for On-Call judges is included in the approved court budget.

Connection to Council Goal and/or Regional Plan:

- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 4) Develop and implement guiding principles that address public safety service levels through appropriate staff levels
- 10) Support and assist the most vulnerable

Has There Been Previous Council Decision on This:

Appointments of On-Call judges for the Flagstaff Municipal Court come before the Flagstaff City Council every two years. Consideration of individuals for appointment have been done in executive session prior to the public meeting.

Options and Alternatives:

- Approve the appointments as recommended by the Presiding Judge.
- Approve some of the appointments as recommended by the Presiding Judge.
- Approve some of the appointments as recommended by the Presiding Judge and request additional candidates for Council consideration.
- Don't approve the appointments as recommended by the Presiding Judge and request additional candidates for Council consideration.
- Don't approve the appointments for On-Call judges.

Community Involvement:

Inform

Attachments:

No file(s) attached.

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Neil Gullickson, Planning Development Manager
Date: 06/13/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Final Plat for MMV Devco, LLC. for a Final Plat of McMillan Mesa Village Tracts E and F, a four-lot subdivision. The subdivision is located within the R & D, Research and Development zoning district and is 29.16 acres in size, located 1851 North Gemini Drive.

RECOMMENDED ACTION:

Staff recommends approval of the final plat, and to authorize the Mayor to sign both the plat and the City/Subdivider Agreement when notified by the Development Review Board that all conditions have been met and documents are ready for recording. This plat is being processed through the "Modified Subdivision Process" (Division 11-20.90) which is available to subdivisions of four (4) lots or fewer. No preliminary plat was required and therefore the Planning and Zoning Commission didn't review the plat.

Executive Summary:

Title 11: General Plans and Subdivisions, Section 11-20.70.030.F requires City Council approval of the Final Plat. In evaluating the Final Plat, Council considers whether the Final Plat meets the requirements of the zoning code and Engineering Design Standards and Specifications. This subdivision proposes four (4) lots ranging in size from 2.6 to 11.8 acres. A new public street (Jasper Drive) will be constructed as part of the public improvements for the subdivision. Staff has received an application for development on the proposed lot #1, for the anticipated Rehabilitation Hospital of Northern Arizona.

Financial Impact:

The approval of this subdivision does not anticipate any financial impacts to the City.

Connection to Council Goal and/or Regional Plan:**COUNCIL GOALS:**

- 1) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 2) Provide a well-managed transportation system
- 3) Improve the economic quality of life for Flagstaff through economic diversification, and by fostering jobs and programs that grow wages and revenues

REGIONAL PLAN:

Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics REGIONAL PLAN: Goal LU.13. Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region. Goal T2- Improve transportation safety and efficiency for all modes. Goal T8- Establish a functional, safe, and aesthetic hierarchy of roads and streets.

Has There Been Previous Council Decision on This:

The final plat for McMillan Mesa Village was finalized and accepted by the County Records office on May 30, 2008. This plat created tracts E and F, which are proposed to be subdivided by this plat.

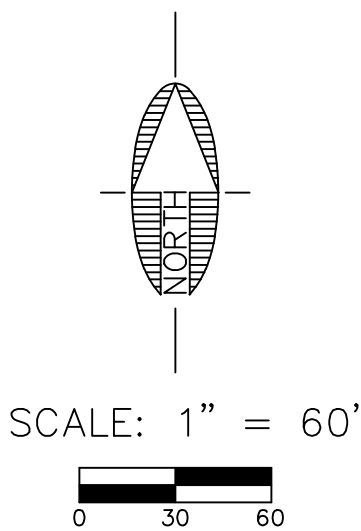
Options and Alternatives:

- 1) Approve the final plat.
- 2) Approve the plat subject to conditions, add conditions, or modify the conditions.
- 3) Deny approval of the plat based on non-compliance with the zoning code, and/or the Flagstaff Engineering Design and Construction Standards and Specifications.

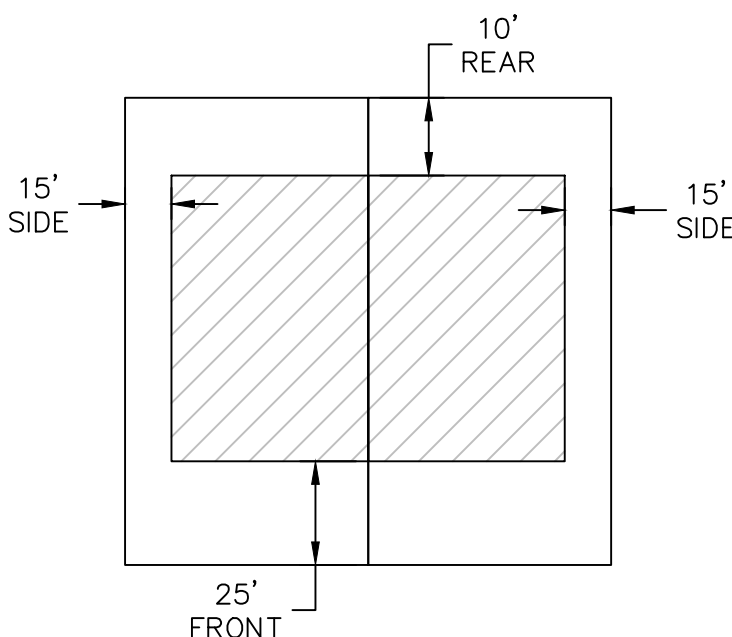
Community Involvement:

Inform-This final plat review does not require a public hearing.

Attachments: Tracts E & F final plat
 City Subd Agreement

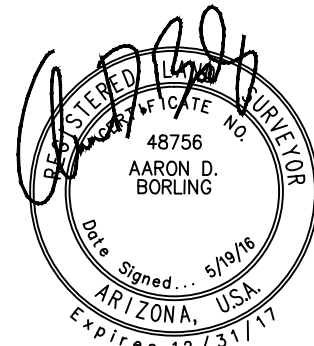


CITY OF FLAGSTAFF
APN: 109-02-001N
INST. #3611494

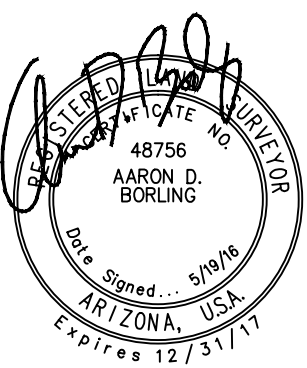


'RD' ZONE SETBACK REQUIREMENTS:

FRONT: 25'
SIDE INTERIOR:
 ADJACENT TO RESIDENTIAL - 15'
 OTHER USES - 0'
SIDE EXTERIOR: 15'
REAR:
 ADJACENT TO RESIDENTIAL - 15'
 OTHER USES - 10'



CITY OF FLAGSTAFF
APN: 107-01-001E



CITY / SUBDIVIDER AGREEMENT
CITY OF FLAGSTAFF, ARIZONA

This Agreement is entered into by and between the CITY OF FLAGSTAFF, a municipal corporation duly created and existing under the laws of the State Arizona, hereinafter referred to as CITY; and MMV DEVCO, LLC , hereinafter referred to as SUBDIVIDER.

W I T N E S S E T H

WHEREAS, MMV DEVCO, LLC (Subdivider) desires to subdivide property within the City of Flagstaff, Arizona known as McMillan Mesa Village Tracts E and F; and

WHEREAS, CITY is agreeable to accepting said subdivision as proposed; providing that the subdivider constructs the subdivision in accordance with City standards and as set forth in the approved preliminary plat, and while fulfilling the obligations set forth below, which the subdivider hereby assumes; and

WHEREAS, building permit(s) is (are) required and will be issued following execution of this agreement;

NOW, THEREFORE, in consideration of the subdivision and the mutual covenants of the parties hereinafter expressed, the parties hereto agree as follows:

1. SUBDIVIDER agrees to construct all improvements in conformance with the CITY'S Subdivision Regulations and the "General Construction, Standards and Specifications" of the CITY, and to employ a responsible supervisor.
2. SUBDIVIDER further agrees to dedicate all streets and rights-of-way to the CITY for public use and to offer all public improvements to the CITY for acceptance into the CITY system.
3. The CITY agrees to accept the Subdivision as platted and to accept ownership of public improvements upon their completion and approval by the CITY.
4. In the event that the CITY should be required to institute any action for the enforcement of this agreement, SUBDIVIDER, shall be required to pay a reasonable attorney's fee in addition to all other costs assessed in any such action.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on their own behalf and by the duly authorized officials and officers on the day and year herein written.

(Signed):

MMV DEVCO, LLC, an Arizona limited liability company

By: The Cavan Opportunity Fund, LLC, an Arizona limited liability company

Its: Manager

By: Opportunity Fund Management, LLC, an Arizona limited liability company

Its: Manager


By: Gary M Burton

Its: Vice President

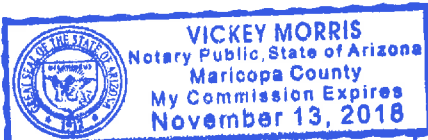
STATE OF ARIZONA)

) ss

County of Coconino)

SUBSCRIBED AND SWORN to before me this 16th day of Feb, 2016
by Gary M. Burton

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



My Commission expires: 11/13/2018


Notary Public

Dated this _____ day of _____ 20____ in Flagstaff,
Coconino County, Arizona.

By: _____
Mayor

ATTEST:

City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Rebecca Sayers, Interim Recreation Director
Date: 06/20/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Approval of Street Closure(s): Orpheum Theater's 99th birthday block party

RECOMMENDED ACTION:

Approve the street closure at Aspen Avenue between Beaver Street and Leroux Street on August 20, 2016 from 8:00 AM to 6:00 PM.

Executive Summary:

The City of Flagstaff Office of Community Events brings forward requests for street closures on behalf of the applicant. Staff requires the event producer to conduct outreach and encourages them to address any concerns that the community may have regarding this event. As a courtesy, the Office of Community Events produces a monthly newsletter for downtown residents and business owners to inform them of upcoming City Council meetings, street closures and events at Heritage Square.

Financial Impact:

While street closures need to be managed appropriately given the change in traffic patterns for local businesses, community events support the vibrancy of the economy and downtown events are supported by the Downtown Business Alliance (DBA).

Connection to Council Goal and/or Regional Plan:

REGIONAL PLAN:

Economic Development:

Goal ED.3. Regional economic development partners support the start-up, retention, and expansion of existing business enterprises.

Goal ED.6. Tourism will continue to provide a year-round source for the community, while expanding specialized tourist resources and activities.

Goal ED.7. Continue to promote and enhance Flagstaff's unique sense of place as an economic development driver.

Has There Been Previous Council Decision on This:

Council has approved various street closures in the downtown area in the past, however this is the first request from the Orpheum for a block party street closure.

Options and Alternatives:

- Approve the request as submitted.
- Deny the request to close the proposed downtown street.

Background/History:

The Orpheum and the Downtown Business Alliance recently requested this street closure for a 99th birthday block party and celebration for the Orpheum Theater. It is a free event open to the public and will include live music, kids activities and a small classic Volkswagen car show. The event will run from 10:00 AM to 5:00 PM. The Orpheum would like the community and visitors to help celebrate 99 years of quality entertainment in downtown Flagstaff.

By allowing the Orpheum Theater's block party street closure as an exception to the special event permit regulations regarding the full closure of Aspen Avenue between Beaver Street and Leroux Street, the City is providing a safe location for a community event.

Key Considerations:

The current special event permit regulations do not allow for the full closure of one-way streets in north downtown. Deviations from this regulation have been approved by City Council on a case-by-case basis. The Flagstaff Fire Department requires that there be a fire lane and access to all hydrant and water hook-ups on the streets.

Community Benefits and Considerations:

The Orpheum Theater is a historical entertainment venue in the heart of downtown Flagstaff that has been providing quality entertainment to Flagstaff for 99 years. Having a community birthday party to celebrate its success brings vibrancy and visitors to the downtown area and generates business for shops and restaurants.

Community Involvement:

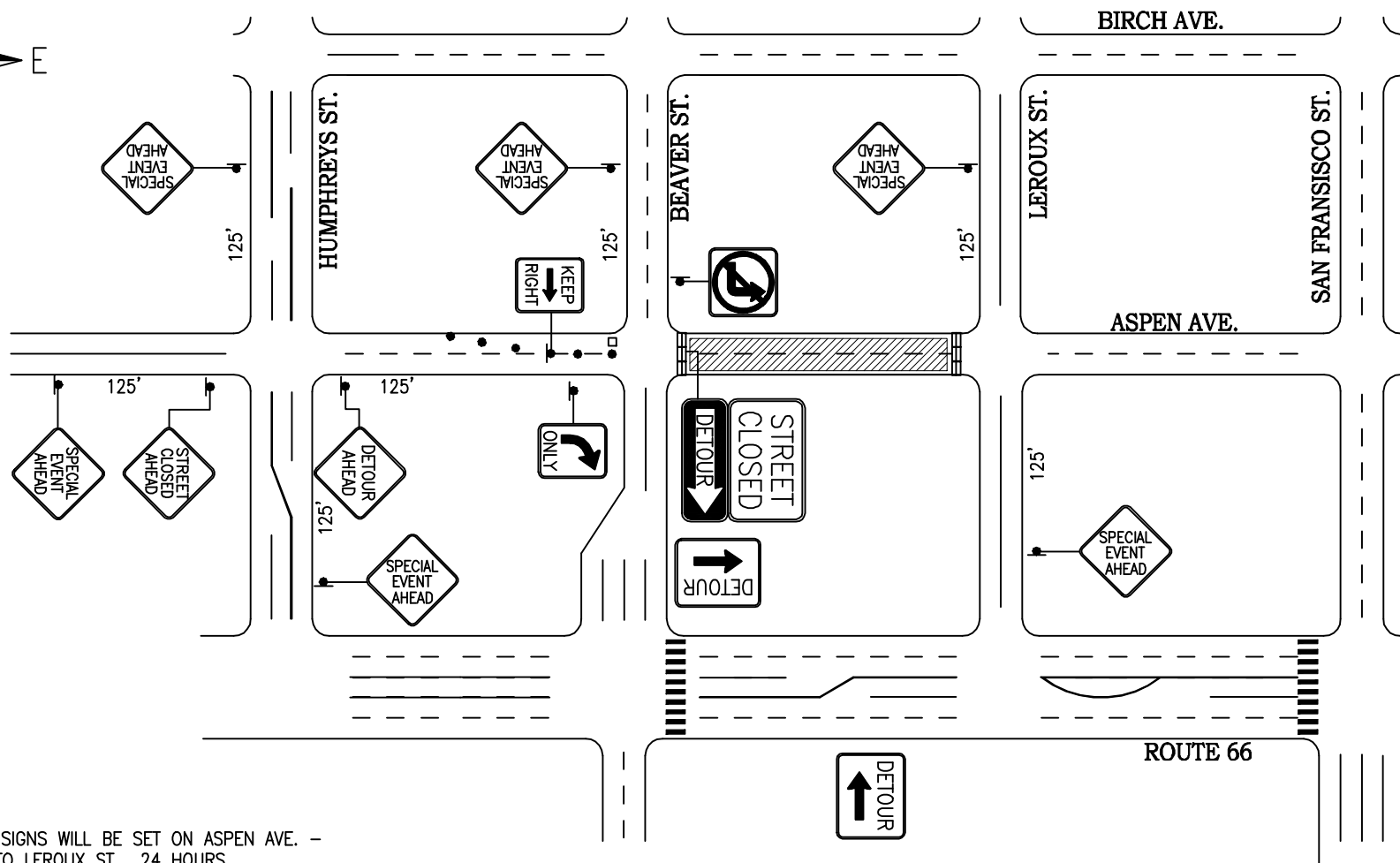
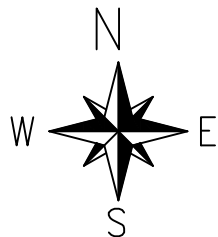
Inform: The Office of Community Events produces a monthly newsletter for downtown businesses and residents. The newsletter contains event information regarding upcoming City Council meetings, Heritage Square activities and street closures. Notice of the Council meeting will be included in the July newsletter.

Involve: The Orpheum Theater is required to conduct outreach to all businesses and residents affected by the street closure.

Expanded Options and Alternatives:

- Approve the request as submitted which will provide a safe place for the community to celebrate the Orpheum Theater's 99th year.
- Deny the request to close the proposed downtown street. Closure of a street in the downtown area has the potential to impact parking and businesses due to the change in traffic flow.

Attachments: [Traffic Control Plan](#)



REVISION:

A

REV DATE:

POSTED
SPEED
LIMIT

25

NOTES:

NO PARKING SIGNS WILL BE SET ON ASPEN AVE. -
BEAVER ST. TO LEROUX ST. 24 HOURS
PRIOR TO EVENT.

LEGEND

- = ARROWBOARD
- = HIGH-LEVEL
- = SIGN STAND
- = VERTICAL PANEL
- = CONE
- = TYPE-1
- = TYPE-2
- = TYPE-3
- = EXISTING

TCP APPROVED BY: _____ DATE: _____

Action
Barriade Co. LLC

DRAWN BY:
STEPHEN MILLER
DATE CREATED: 06/17/16

Reviewed by: _____ /_____/_____
-Action Employee- Date

General Operations
Manager:
John Ledbetter Jr.
Office: 602-288-6350
TCP Fax: 602-288-6361
Dispatch: 602-288-6363
24 Hours: 602-920-4652

SIGN SIZE:
48"X48" _____ 36"X36" X _____

NOTES: PLAN IS NOT TO SCALE
This is a vehicular and/or pedestrian plan
only. Pedestrian access shall be maintained if
possible. All applicable equipment shall have
sandbags and flags. This traffic control plan
is for day and/or night time use. Business
and local traffic shall be maintained when
possible. Bump signs shall be placed in front
of ALL steel plates in the roadway. Conflicting
existing signs shall be covered for temporary
traffic control. Equipment list is approximate,
plan is subject to changes made in the field.

TCP NAME: 061716-003

MUNICIPAL:
CITY OF FLAGSTAFF

LOCATION:
ASPEN AVE.-BEAVER TO LEROUX

TYPE OF SET-UP:
ROAD CLOSURE

START DATE: 08/20/16 END DATE: 08/20/16

CONTRACTOR:
CHRIS SCULLY

CONTACT NAME:
CHRIS SCULLY

CONTRACTOR'S NUMBER:
928-699-6998

CONTRACTOR'S FAX:

WORK HOURS: 0900-1700

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Kevin Fincel, Senior Assistant City Attorney KF
Date: 06/22/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Adoption of Ordinance No. 2016-30: An ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 2, Boards and Commissions, by amending Chapter 2-02, Building and Fire Code Board of Appeals; Chapter 2-04, Water Commission; Chapter 2-08, Commission on Diversity Awareness; Chapter 2-10, Board of Adjustment; Chapter 2-11, Flagstaff Airport Commission; Chapter 2-12, Transportation Commission; Chapter 2-14, Beautification and Public Art Commission; Chapter 2-19, Heritage Preservation Commission; and Chapter 2-20, Open Spaces Commission, thereof; providing for severability, authority for clerical corrections, and establishing an effective date. *(Updating language to clarify quorum requirements of Boards/Commissions)*

RECOMMENDED ACTION:

At the June 28, 2016, Council Meeting:

- 1) Read Ordinance No. 2016-30 by title only for the first time
- 2) City Clerk reads Ordinance No. 2016-30 by title only (if approved above)

At the July 5, 2016, Council Meeting:

- 3) Read Ordinance No. 2016-30 by title only for the final time
- 4) City Clerk reads Ordinance No. 2016-30 by title only (if approved above)
- 5) Adopt Ordinance No. 2016-30

Executive Summary:

Title 2, Boards and Commissions, of the Flagstaff City Code contains quorum requirements for the various City boards and commissions that are not consistent. This ordinance updates the language in the Code relating to these boards and commissions to reflect a quorum requirement of four voting members.

Financial Impact:

None.

Connection to Council Goal and/or Regional Plan:

None.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

- 1) The Council may adopt the ordinance updating language for a consistent quorum requirement.
- 2) The Council may choose not to adopt the ordinance.

Community Involvement:

Inform

Attachments: Ord. 2016-30

ORDINANCE NO. 2016-30

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING THE FLAGSTAFF CITY CODE, TITLE 2, *BOARDS AND COMMISSIONS*, BY AMENDING CHAPTER 2-02, *BUILDING AND FIRE CODE BOARD OF APPEALS*; CHAPTER 2-04, *WATER COMMISSION*; CHAPTER 2-08, *COMMISSION ON DIVERSITY AWARENESS*; CHAPTER 2-10, *BOARD OF ADJUSTMENT*; CHAPTER 2-11, *FLAGSTAFF AIRPORT COMMISSION*; CHAPTER 2-12, *TRANSPORTATION COMMISSION*; CHAPTER 2-14, *BEAUTIFICATION AND PUBLIC ART COMMISSION*; CHAPTER 2-19, *HERITAGE PRESERVATION COMMISSION*; AND CHAPTER 2-20, *OPEN SPACES COMMISSION*, THEREOF; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the Flagstaff City Council desires to have consistency among the various boards and commissions of the City with regard to the number of members required for a quorum;

WHEREAS, Title 2, Boards and Commissions, of the Flagstaff City Code contains quorum requirements for the various boards and commissions of the City that are not consistent.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-02, *Building and Fire Code Board of Appeals*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-02-001-0002 Membership of Board

- A. The Board of Appeals shall consist of seven (7) individuals, serving three (3) year staggered terms, appointed by the Council who are qualified by experience and training to pass upon matters pertaining to building construction and pertinent matters of the Fire Code, Chapter 5-02.
- B. The Building Official and Fire Marshal shall be ex officio members of said Board but shall have no vote on any matter before the Board.
- C. A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be more than fifty percent (50%) of the voting membership of the Board.~~
- D. Citizen members of the Board may be removed by the Mayor and Council for inefficiency, neglect of duty or malfeasance in office or in accordance with the Board and Commission Members' Rules and Operations Manual adopted by resolution of the City Council.

SECTION 2. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-04, *Water Commission*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-04-001-0006 Meetings

The meetings of the Commission shall be held at the time and place adopted for the regular monthly meetings of the Commission.

Meetings shall be conducted in accordance with the Board and Commission Members' Rules and Operations Manual adopted by resolution of the Flagstaff City Council, and in compliance with all other local, State, and Federal laws.

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one (1) more than half the voting membership of the Commission.~~

SECTION 3. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-08, *Commission on Diversity Awareness*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-08-001-0005 MEETINGS; ATTENDANCE:

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one (1) more than half of the voting membership of the Commission.~~

The Commission shall meet at such times, dates and locations as determined by the members except that the Chairperson may call a special meeting with not less than twenty-four (24) hours' notice.

A regular member who is absent for two (2) consecutive unexcused regular meetings may be removed from the Commission by a vote of the City Council upon recommendation of the Commission.

SECTION 4. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-10, *Board of Adjustment*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-10-001-0003 MEETINGS

The meetings of the Board of Adjustment shall be open to the public and held at the time and place adopted for the regular monthly meetings of the Board. Meetings shall be conducted in accordance with the Board and Commission Members' Rules and Operations Manual adopted by resolution of the Flagstaff City Council, and in compliance with all other local, State, and Federal laws. The minutes of its proceedings, showing the vote of each member and records of its examinations and other official actions shall be kept by the City Clerk as a public record.

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one (1) more than half the voting membership of the Board of Adjustment.~~

SECTION 5. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-11, *Flagstaff Airport Commission*, is hereby amended as set forth below (deletions shown as stricken, and

additions shown as capitalized text):

2-11-001-0002 COMPOSITION; TERMS:

The composition of the membership of the Commission shall be as follows:

- A. Seven (7) members to be appointed by the City Council who shall serve for three (3) year terms, on a staggered basis.
- B. Ex Officio Members: The following persons shall be ex officio members of the Commission, but shall have no vote:
 - The Mayor;
 - The City Manager;
 - The Airport Manager;
 - The FAA Tower Operator.
- C. A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one (1) more than half~~
~~the voting members~~ **OF THE COMMISSION.**

SECTION 6. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-12, *Transportation Commission*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-12-001-0004 MEETINGS:

The Commission shall meet quarterly and/or at the request of its Chairperson for the disposal of such business as may come before it.

Meetings shall be conducted in accordance with the Board and Commission Members' Rules and Operations Manual adopted by resolution of the Flagstaff City Council, and in compliance with all other local, State, and Federal laws.

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one (1) more than half the voting~~
~~membership~~ of the Commission.

SECTION 7. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-14, *Beautification and Public Art Commission*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-14-001-0005 MEETINGS:

- A. The Commission shall hold at least one regular meeting per month, which shall at all times be open to the public, the time and place of said meeting shall be posted in accordance with the applicable Arizona State Statutes.
- B. A quorum consisting of a minimum of **FOUR (4)** ~~five (5)~~ voting members **OF THE COMMISSION** shall be required to conduct business.

SECTION 8. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-19, *Heritage Preservation Commission*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-19-001-0004 MEETINGS

The Commission shall at a minimum hold at least one regular meeting quarterly, but shall normally hold monthly meetings.

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one more than half of the full membership~~ of the Commission.

SECTION 9. The Flagstaff City Code, Title 2, *Boards and Commissions*, Chapter 2-20, *Open Spaces Commission*, is hereby amended as set forth below (deletions shown as stricken, and additions shown as capitalized text):

2-20-001-0005 MEETINGS; ATTENDANCE:

The Commission shall meet on a quarterly basis, at a minimum, at such times, dates and locations as determined by the members, except that the chairperson may call a special meeting with not less than 24 hours' notice. All other rules or procedures shall be established by the members so long as the rules are consistent with state law, including the Open Meetings Law, the City charter and this ordinance.

A quorum shall **CONSIST OF FOUR (4) VOTING MEMBERS** ~~be one more than half of the voting membership~~ of the Commission.

A regular Commission member who is absent for three consecutive regular meetings may be removed from the Commission by a vote of the City Council.

SECTION 10. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 11. Clerical Corrections.

The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency, within thirty (30) days following adoption by the City Council.

SECTION 12. Effective Date.

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Director
Date: 06/22/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Adoption of Ordinance No. 2016-27: An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amount estimated to be required in the Annual Budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June, 2017. ***(Property Tax Levy for FY 16-17)***

RECOMMENDED ACTION:

- 1) Read Ordinance No. 2016-27 by title only for the final time
- 2) City Clerk reads Ordinance No. 2016-27 by title only (if approved above)
- 3) Adopt Ordinance No. 2016-27

Executive Summary:

Arizona Revised Statutes Section 42-17104 requires that an Ordinance to adopt property tax levies be passed after the adoption of the final budget. The final budget is anticipated to be adopted on June 21, 2016.

Financial Impact:

The City of Flagstaff is proposing a flat primary property tax levy of \$5,627,083 on existing properties for FY2016-2017, plus levy of \$80,095 on new construction for a total levy of \$5,707,178. The primary property tax rate to support this levy is \$0.8121 per \$100 of assessed valuation (less than last FY).

The City of Flagstaff is proposing a flat tax rate for secondary property taxes for FY2016-2017 for a total levy of \$5,728,357 on existing properties and new construction. The proposed secondary property tax rate is \$0.8366 per \$100 of assessed valuation (same as last FY).

Connection to Council Goal and/or Regional Plan:

- 1) Invest in our employees and implement retention and attraction strategies
- 2) Ensure Flagstaff has a long-term water supply for current and future needs
- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 4) Develop and implement guiding principles that address public safety service levels through appropriate staff levels
- 5) Explore and adopt policies to lower the costs associated with housing to the end user
- 6) Provide a well-managed transportation system

- 7) Continue to implement the Flagstaff Regional Plan and focus efforts on specific plans
- 8) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments
- 9) Improve the economic quality of life for Flagstaff through economic diversification, and by fostering jobs and programs that grow wages and revenues
- 10) Support and assist the most vulnerable

Has There Been Previous Council Decision on This:

- December Budget Retreat on December 9, 2015
- February Budget Retreat on February 11 & 16, 2016
- Council Budget Retreat on April 26 & 27, 2016
- Tentative Budget Adoption on June 7, 2016
- Final Budget Adoption on June 21, 2016
- First Read of Ordinance on June 21, 2016

Options and Alternatives:

- Adopt the primary and secondary property tax rates at the proposed amounts,
- Adopt the primary and secondary property tax rates at something less than that shown above.

Background/History:

Both the State Constitution and State law specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy in cities and towns may only be used to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

The adoption of the property tax levy is the final step in the entire budget approval process.

Key Considerations:

The key dates for budget and property tax levy adoption have been determined and have been followed throughout this process. The County adopts the property tax levy as proposed by the City on or about August 1, 2016.

Expanded Financial Considerations:

The City has budgeted a total of \$5,607,178 in FY2016-2017 primary property tax, an approximate 1.4% increase over the FY2015-2016 budget. This increase is due to new construction. Primary property tax revenues may be used for any general purpose use of the City government. The budgeted amount is less than the levy as the City is allowing for approximately 2% in bad debt.

Statutorily, the maximum allowable primary property levy for FY2016-2017 is \$6,301,017. The City may capture this additional levy in future budget years if Council so directs.

The City has budgeted a total of \$5,728,357 in FY2016-2017 secondary property tax, an approximate 2.1% increase over the FY2015-2016 budget. The increase is directly related to the increased assessed valuation (increase in property values) and new construction. Secondary property tax funds general obligation debt and debt is issued to manage within the levy.

Five years historical data is shown below:

Property Tax Rates	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017 Proposed
Primary	\$ 0.7131	0.8429	0.8418	0.8234	0.8121
Secondary	0.8366	0.8366	0.8366	0.8366	0.8366
Total	\$ 1.5497	1.6795	1.6784	1.6600	1.6487

Primary property taxes account for 10% of the General Fund revenues budgeted for FY2016-2017.

Community Benefits and Considerations:

Primary property taxes support a number of City services including public safety, parks and recreation, other public works services, and general administrative and management functions within the city.

Secondary property taxes support the debt service payment on numerous city capital projects including: Aquaplex, Fire Stations, Open Space, numerous street/utility projects, Forest Restoration and the future Core Services Facility as well as many others.

Community Involvement:

Inform & Involve: Budget legal schedules were published in the June 9, 2016 and June 16, 2016 Arizona Daily Sun to allow for additional community review. In addition, the legal and other budget schedules were made available at City Hall, at both Flagstaff Public Libraries, and on the official city website. A public hearing on June 21, 2016 for both the final budget adoption and the property tax levy is open for public comment and allows citizens to provide input.

Attachments: [Ordinance 2016-27](#)

ORDINANCE NO. 2016-27

AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2017

RECITALS:

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2016-2017 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of 0.8121 for the fiscal year ending on the 30th day of June, 2017. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of 0.8366 for the fiscal year ending June 30, 2017.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona.

SECTION 6. Effective Date. The tax levies imposed by this Ordinance shall take effect August 4, 2016.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Date: 06/20/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Adoption of Resolution No.2016-25: A resolution authorizing referral of a ballot question to the qualified electors of the City at the General Election on November 8, 2016, related to possible continuation of a local transaction privilege tax (sales tax), (excluding the sales of food as exempt by state law), for a period of ten years commencing July 1, 2020, with proceeds from the tax to be designated for public transportation purposes. ***(Ballot Question - Transit Tax Renewal)***

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-25 by title only
- 2) City Clerk reads Resolution No. 2016-25 by title only (if approved above)
- 3) Adopt Resolution No. 2016-25

Executive Summary:

The City Council gave direction at the June 14, 2016 Council Work Session to prepare ballot language for purpose of a renewal of the local transaction privilege tax dedicated for public transportation (transit tax). The purpose of this resolution is to adopt official ballot language to be submitted at the City's general election to be held on November 8, 2016.

Financial Impact:

The ballot question will ask voters to consider a continuation of the City's local transaction privilege tax dedicated for public transportation (transit tax) at the rate of 0.295% to sunset June 30, 2030.

TAX BACKGROUND

The City Charter Article V, Section 2 provides that the City Council shall have the power to levy a transaction privilege tax (also referred to as a sales tax) subject to approval by a majority of the qualified electors voting in the regularly scheduled general election. The City base local transaction privilege tax rate is 2.051% of gross revenues from a taxable activity (with an additional 2% rate on bar/restaurant/lodging businesses). The transit tax was approved by the City electorate via five separate propositions, totals as a .295% rate, and is part of the base rate of 2.051%. The approved propositions dedicate the transit tax revenues for specific public transportation purposes, and impose a "sunset" or expiration date for such tax of June 30, 2020. The applicable propositions are referenced in the City Code, Section 3-05-008-0800.A.5,7,8,9,10.

Connection to Council Goal and/or Regional Plan:

COUNCIL GOALS:

- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 6) Provide a well-managed transportation system
- 7) Continue to implement the Flagstaff Regional Plan and focus efforts on specific plans
- 8) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments

Has There Been Previous Council Decision on This:

On June 14, 2016, City Council directed staff to prepare ballot language for the continuation of the transit tax.

Options and Alternatives:

Approve Resolution 2016-25 as drafted.
Amend and adopt Resolution 2016-25.
Do not adopt Resolution 2016-25.

Community Involvement:

Empower

Attachments: Res. 2016-25

RESOLUTION NO. 2016-25

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL AUTHORIZING REFERRAL OF A BALLOT QUESTION TO THE QUALIFIED ELECTORS OF THE CITY AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, RELATED TO POSSIBLE CONTINUATION OF A LOCAL TRANSACTION PRIVILEGE TAX (SALES TAX), (EXCLUDING THE SALES OF FOOD AS EXEMPT BY STATE LAW), FOR A PERIOD OF TEN YEARS COMMENCING JULY 1, 2020, WITH PROCEEDS FROM THE TAX TO BE DESIGNATED FOR PUBLIC TRANSPORTATION PURPOSES

RECITALS:

WHEREAS, the City Council may refer a question to the qualified electors of the City concerning whether to approve or continue a local transaction privilege tax levy, as called for in the City Charter, Article VI, Section 2(b); and

WHEREAS, the City of Flagstaff currently levies a collective local transaction privilege tax rate of 0.295%, excluding a tax on food as exempt by state law, and the proceeds of such tax are designated to pay for public transportation purposes, as referenced in the City Code Section 3-05-008-0800, subsections (A)(5),(7),(8),(9), (10) and as approved by a majority of the qualified electors voting to approve such tax (referred to hereafter as the "Transit Tax"); and

WHEREAS, the Transit Tax will expire July 1, 2020, unless continuation is approved by a majority of the qualified electors voting in a regularly scheduled election; and

WHEREAS, the City Council has received a request from the Mountain Line Citizens Review Commission and the Northern Arizona Intergovernmental Public Transportation Authority ("NAIPTA") Governing Board that the community consider continuing the Transit Tax; and

WHEREAS, the City Council finds that public transportation is a valuable service provided to all of the Flagstaff community including but not limited to Northern Arizona University, and visitors; and

WHEREAS, the City Council finds that public transportation helps reduce congestion, and wear and tear on public streets; and

WHEREAS, the City Council desires to continue the Transit Tax for a period of ten years, if approved by a majority of the qualified electors voting in the City's next regularly scheduled general election on November 8, 2016 (the "Election").

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

Section 1: Proposition Text

Pursuant to Article VI, Section 2(b) of the Charter, the City Council hereby refers the following text of Proposition XXX for approval by the qualified electors of the City of Flagstaff at the Election and directs the City Clerk to cause the ballot of said General Election to include such Proposition Text:

Proposition XXX:

Shall the City Council continue to levy a Transaction Privilege Tax (Sales tax) at a rate of 0.295% (\$0.00295), excluding the sales tax on food as exempt by state law, for a period of ten years commencing July 1, 2020, and designate the proceeds of such tax to be used for the purpose of paying directly, or pursuant to an intergovernmental agreement with another governmental entity, the costs of acquiring, constructing, improving, operating, and maintaining facilities for the transportation of passengers within the City of Flagstaff including passenger buses and other motor vehicles, shelters, transfer stations, garages, maintenance facilities and equipment, and other transit facilities?

Section 2: Form of Ballot Question

The City Council hereby approves the form of ballot question related to Proposition XXX for presentation to the qualified voters of the City of Flagstaff for the ballot of the Election:

FORM OF OFFICIAL BALLOTOFFICIAL BALLOT

FOR ELECTION TO BE HELD IN THE CITY OF FLAGSTAFF,
ARIZONA ON NOVEMBER 8, 2016.

Proposition XXX

OFFICIAL TITLE: A Measure Referred to the People by the City Council of the City of Flagstaff Relating to continuation of a Transit Sales Tax Levy for public transportation

DESCRIPTIVE TITLE: Consideration of a levy of a Transaction Privilege Tax at a rate of 0.295% (\$0.00295) for a period commencing July 1, 2020, through June 30, 2030, for the purposes of acquiring, constructing, improving, operating, and maintaining equipment and facilities for a public transit system within the City of Flagstaff.

A "yes" vote shall have the effect of approving a levy continuing a Transit Sales Tax through June 30, 2030 at the existing rate of 0.295%.

Proposition XXX

Yes

A "no" vote shall have the effect of disapproving a levy, and allowing the existing Transit Sales Tax to expire on July 1, 2020.

No

Section 3. Form of Ordinance

The City Council hereby directs staff to prepare a form of ordinance to continue the levy of a Transit Sales Tax for the public transportation purposes described herein for consideration by the City Council at a future public meeting.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 5th day of July, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Date: 06/20/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Adoption of Resolution No. 2016-27: A resolution of the Flagstaff City Council adopting official ballot language question to be submitted to the qualified electors of the City with respect to a temporary increase to the City's secondary property tax and authorization for the sale and issuance of bonds of the City of Flagstaff, Arizona for purposes of municipal court facilities, said question to be submitted at the City's General Election to be held on November 8, 2016. ***(Ballot Language for Municipal Court Facilities Bond Project)***

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-27 by title only
- 2) City Clerk reads Resolution No. 2016-27 by title only (if approved above)
- 3) Adopt Resolution No. 2016-27

Executive Summary:

The City Council gave direction at the June 14, 2016, Council Work Session to prepare ballot language for the purpose of a \$12 million municipal court facilities bond project. The purpose of this resolution is to adopt official ballot language to be submitted at the City's general election to be held on November 8, 2016.

Financial Impact:

The ballot question will ask voters to consider a temporary increase to the City's secondary property tax and authorization of the sale and issuance of bonds in the amount of \$12 million. Due to sufficient bonding capacity available, approval of this ballot question would not result in an increase in the secondary property tax rate.

Connection to Council Goal and/or Regional Plan:**COUNCIL GOALS:**

- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 8) Improve effectiveness of notification, communication, and engagement with residents, neighborhoods and businesses and about City services, programs, policies, projects and developments

Has There Been Previous Council Decision on This:

On April 12, 2016, Council provided direction to staff to proceed with continued County coordination to further refine the concept design of a possible co-located courts facility.

On June 14, 2016, City Council reviewed options for the municipal court facilities bond project and directed staff to prepare ballot language for a \$12 million bond project to be funded through secondary property tax.

Options and Alternatives:

- Approve Resolution 2016-27 as drafted
- Amend and adopt Resolution 2016-27
- Do not adopt Resolution 2016-27

Community Involvement:

Empower

Attachments: RES 2016-27

RESOLUTION NO. 2016-27

A RESOLUTION AUTHORIZING REFERRAL OF A BALLOT QUESTION TO THE QUALIFIED ELECTORS OF THE CITY AT THE GENERAL ELECTION ON NOVEMBER 8, 2016, WITH RESPECT TO A TEMPORARY INCREASE TO THE CITY'S SECONDARY PROPERTY TAX AND AUTHORIZATION FOR THE SALE AND ISSUANCE OF BONDS OF THE CITY OF FLAGSTAF, ARIZONA IN A PRINCIPAL AMOUNT UP TO \$12,000,000 WITH THE PROCEEDS TO BE DESIGNATED FOR PURPOSES OF MUNICIPAL COURT FACILITIES

RECITALS:

WHEREAS, the City Council may refer a question to the qualified electors of the City concerning whether to approve a temporary increase to the City's secondary property tax and authorize the sale and issuance of bonds, as called for in the City Charter, Article VI, Section 1(a), and Article XVI; and

WHEREAS, the City of Flagstaff desires to provide adequate court room facilities, prosecution facilities, prisoner transport and holding areas, separate circulation and movement for public, jurors, prisoners, and court staff, prosecution staff, space for all court events, as well as staff, jurors and the public and sufficient parking for all of the above; and

WHEREAS, to provide the above mentioned facilities, voter authorization is required to sell and issue general obligation bonds in a principal amount up to \$12,000,000 and to expend funds therefrom for the purpose of design and construction of new facilities for: the municipal court and prosecution staff and paying necessary related costs; for the purpose of design and construction of parking garage or similar structure to enhance municipal court, prosecution staff and public parking availability and paying necessary and related costs; and to pay all costs and expenses properly incidental thereto and to the issuance of bonds; and

WHEREAS, the City Council finds that the facilities described herein valuable needs to be provided to all of the Flagstaff community; and

WHEREAS, the City Council finds that these bonds may be issued in one or more series, will not mature more than 25 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed ____% per annum; and

WHEREAS, the City Council finds the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds, pursuant to A.R.S. §35-454(C); and

WHEREAS, the City Council finds that the facilities proposed to be funded by these bonds will enhance public safety for all of the Flagstaff community; and

WHEREAS, the City Council desires to issue these bonds, if approved by a majority of the qualified electors voting in the City's next regularly scheduled general election on November 8, 2016 (the "Election").

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

Section 1: Proposition Text.

Pursuant to Article VI, Section 1(a), and Article XVI, of the Flagstaff City Charter, the City Council hereby refers the following text of Proposition XXX for approval by the qualified electors of the City of Flagstaff at the Election and directs the City Clerk to cause the ballot of said General Election to include such Proposition Text:

Proposition XXX:

Shall the City Council sell and issue general obligation bonds in a principal amount up to \$12,000,000 to expend funds therefrom for the purpose of design and construction of new facilities for: the municipal court and prosecution staff including prisoner transport and holding areas, separate circulation and movement for public, jurors, prisoners, and court staff, prosecution staff, space for all court events, as well as staff, jurors and the public and paying necessary related costs; for the purpose of design and construction of parking garage or similar structure to enhance municipal court, prosecution staff and public parking availability and paying necessary and related costs; and to pay all costs and expenses properly incidental thereto and to the issuance of bonds?

Section 2: Form of Ballot Question.

The City Council hereby approves the form of ballot question related to Proposition XXX for presentation to the qualified voters of the City of Flagstaff for the ballot of the Election:

FORM OF OFFICIAL BALLOTOFFICIAL BALLOT

FOR ELECTION TO BE HELD IN THE CITY OF FLAGSTAFF,
ARIZONA, ON NOVEMBER 8, 2016.

QUESTION NO.

Purpose: **Bonds for Municipal Court Facilities**

Amount: **\$12,000,000**

OFFICIAL TITLE: A MEASURE REFERRED TO THE TO THE PEOPLE BY THE CITY COUNCIL OF THE CITY OF FLAGSTAFF RELATING TO THE ISSUANCE OF BONDS IN A PRINCIPAL AMOUNT OF \$12,000,000 TO DESIGN AND CONSTRUCT MUNICIPAL COURT FACILITIES.

DESCRIPTIVE TITLE: Consideration of the sale and issuance of bonds to provide adequate court room facilities, prosecution facilities, prisoner transport and holding areas, separate circulation and movement for public, jurors, prisoners and court staff, prosecution staff, space for all court events, as well as staff, jurors and the public and sufficient parking for all of the above, shall the City of Flagstaff be authorized to sell and issue general obligation bonds in a principal amount up to \$12,000,000 and expend funds therefrom:

- for the purpose of design and construction of new facilities for the municipal court and paying necessary related costs;
- for the purpose of design and construction of a parking garage or similar structure to enhance both municipal court and public parking availability and paying necessary related costs and
- to pay all costs and expenses properly incidental thereto and to the issuance of bonds?

The bonds may be issued in one or more series, will not mature more than 25 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed _____% per annum, and will have such other provisions as are approved by the City Council. The following sentence has been included on this ballot as required by Arizona Revised Statutes 35-454(C): The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

A vote for the bonds shall have the effect of allowing the City Council to issue up to \$12,000,000 in general obligation bonds to design and construct municipal court facilities.

**For the
Bonds/Constructing
Municipal Court
Facilities**

☐

A vote against the bonds shall have the effect of not allowing the City Council to issue up to \$12,000,000 in general obligation bonds to design and construct municipal court facilities.

**Against the
Bonds/Constructing
Municipal Court
Facilities**

☐

Section 3. Form of Ordinance.

The City Council hereby directs staff to prepare a form of ordinance to authorize the sale and issuance of bonds for the municipal court facility as described herein for consideration by the City Council at a future public meeting.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 06/22/2016
Meeting Date: 07/05/2016



TITLE:

Consideration and Adoption of Resolution No. 2016-26: A resolution of the Flagstaff City Council calling a Special Election to be held on November 8, 2016, in conjunction with the City's General Election, to submit potential questions to the registered voters of Flagstaff regarding continuation of the transit tax, a possible bond issue for the Courthouse Facility, as well as potential questions proposed by initiative adding a new Title 15, Minimum Wage Law, and preserving City-owned Property as Open Space (Buffalo Park).

RECOMMENDED ACTION:

- 1) Read Resolution No. 2016-26 by title only
- 2) City Clerk reads Resolution No. 2016-26 by title only (if approved above)
- 3) Adopt Resolution No. 2016-26

Executive Summary:

The proposed resolution would call a Special Election to be held in conjunction with the City's General Election on November 8, 2016. Two possible questions may be proposed by the City Council--one to continue the transit tax, and the other to approve a bond issue for a Courthouse facility. Additionally, two initiatives are currently outstanding, one regarding the designation of Buffalo Park as open space, and the other to create a minimum wage for Flagstaff. The determination as to whether these initiatives will meet the requirements for placement on the ballot will not occur until a time during the City Council summer break. Adoption of this resolution would call the Special Election and outline the procedures to be followed, should any or all of these issues move forward to the ballot.

Financial Impact:

As this Special Election would be held in conjunction with the already-scheduled General Election, the costs associated with the ballot and services provided by the County would not change; however, additional expenses would be incurred for production and distribution of the related Informational Pamphlet. These costs are dependent on the amount of information provided and number of arguments received for inclusion in the Informational Pamphlet.

Connection to Council Goal and/or Regional Plan:

- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 6) Provide a well-managed transportation system
- 7) Continue to implement the Flagstaff Regional Plan and focus efforts on specific plans
- 10) Support and assist the most vulnerable

Has There Been Previous Council Decision on This:

On June 14, 2016, City Council directed staff to prepare ballot language for the continuation of the transit tax. On April 12, 2016, Council provided direction to staff to proceed with continued County coordination to further refine the concept design of a possible co-located courts facility. On June 14, 2016, City Council reviewed options for the municipal court facilities bond project and directed staff to prepare ballot language for a \$12 million bond project to be funded through secondary property tax.

Additionally, both of these items will be discussed at the June 28, 2016, Work Session.

Options and Alternatives:

- 1) Adopt the resolution calling a Special Election
- 2) Amend the resolution calling a Special Election
- 3) Not call a Special Election (although if either initiative is successful, it is required)

Background/History:

In addition to calling a special election, this resolution also includes general information on the informational pamphlet invitation for arguments and any related costs. Oftentimes, a cost is associated with a member of the public to file an argument either for or against a proposed question. In the past, we have done both; however, recently we have not been charging, especially when a bond issue is involved.

With the various types of questions which may potentially be placed on the ballot, it is staff's recommendation to not charge a fee for filing an argument; however, this is something Council may want to consider. Should Council elect to charge a fee, such wording should be included in the resolution for the public's information.

Community Involvement:

Inform
Consult
Involve
Collaborate
Empower

RESOLUTION NO. 2016-26

RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, CALLING A SPECIAL ELECTION TO BE HELD ON NOVEMBER 8, 2016, IN CONJUNCTION WITH THE CITY'S GENERAL ELECTION, TO SUBMIT POTENTIAL QUESTIONS TO THE REGISTERED VOTERS OF FLAGSTAFF REGARDING POSSIBLE CONTINUATION OF A LOCAL TRANSACTION PRIVILEGE TAX (SALES TAX), AND REGARDING THE POSSIBLE ISSUANCE OF BONDS IN A PRINCIPAL AMOUNT OF \$12,000,000 FOR A MUNICIPAL COURT FACILITIES PROJECT, A POTENTIAL QUESTION PROPOSED BY INITIATIVE ADDING A NEW TITLE 15, MINIMUM WAGE LAW, TO THE FLAGSTAFF CITY CODE AND A POTENTIAL QUESTION PROPOSED BY INITIATIVE TO PRESERVE CITY-OWNED PROPERTY AS OPEN SPACE

RECITALS:

WHEREAS, the City of Flagstaff currently levies a collective local transaction privilege tax rate of 0.295%, excluding sales of food as exempt by state law, and the proceeds of such tax are designated to pay for public transportation purposes, as referenced in the City Code Section 3-05-008-0800, subsections (A)(5),(7),(8),(9), (10) and as approved by a majority of the qualified electors voting to approve such tax (referred to hereafter as the "Transit Tax") and the City Council desires to continue the Transit Tax for a period of ten years (ballot language to be considered separately); and

WHEREAS, voter authorization is required to sell and issue general obligation bonds in a principal amount up to \$12,000,000 and to expend funds therefrom for the purpose of design and construction of new facilities for the municipal court and prosecution staff and the City of Flagstaff desires to provide adequate court room facilities, prosecution facilities, prisoner transport and holding areas, separate circulation and movement for public, jurors, prisoners, and court staff, prosecution staff, space for all court events, as well as staff, jurors and the public and sufficient parking for all of the above (ballot language to be considered separately); and

WHEREAS, two separate initiatives are currently being circulated and have until July 8, 2016, in which to file said petitions; and

WHEREAS, from the time said petitions are filed with the City Clerk's Office a maximum of 38 days (not including Saturday, Sunday or legal holidays) is available for the City Clerk's Office and County Recorder's Office to perform their duties as required by Arizona Revised Statutes (A.R.S.), to determine the sufficiency of valid signatures for inclusion of either question on the November 8, 2016, ballot; and

WHEREAS, sufficiency of said numbers will not be available at the time of publishing a notice inviting arguments for or against proposed questions, in order to meet timing requirements of A.R.S.; therefore, arguments will be accepted for the two initiative questions outlined in Exhibit A, attached hereto and made a part hereof, with the understanding that one or both questions may eventually not be placed on the November 8, 2016, ballot.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AS FOLLOWS:

Section 1. THAT a special election of the qualified electors of the City is hereby called to be held on November 8, 2016, at which there may be submitted to the qualified electors of the City questions amending the Flagstaff City Charter, and regarding the possible continuation of a local transaction privilege tax (sales tax), and regarding the possible issuance of bonds in a principal amount of \$12,000,000 for a municipal court facilities project.

Section 2. THAT

(A) notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet") to each household that contains a registered voter within the City not less than 27 before the date of the Election.

(B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and mailed according to law and the provisions of this resolution.

Section 3. THAT consideration of whether to move forward with a question regarding possible continuation of a local transaction privilege tax (sales tax), and regarding the possible issuance of bonds in a principal amount of \$12,000,000 for a municipal court facilities project shall be considered separately, and the official ballot question wording for each will be considered separately.

Section 4. THAT should it be determined that one or both of the pending initiatives receive the required number of valid signatures, the ballot question(s) shall be in substantially the form shown on Exhibit A.

Section 5. THAT the Clerk of the City is hereby authorized to request arguments for and against the subject matters of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached and marked Exhibit 'B' (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the Council of the City are posted and publishing the Notice of Arguments once in the *Arizona Daily Sun*. The deadline to submit arguments shall be 5:00 p.m. MST on August 10, 2016.

Section 6. THAT

(A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.

(B) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.

(C) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 5th day of July, 2016.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT 'A'

FORM OF OFFICIAL BALLOT

OFFICIAL BALLOT

QUESTION NO. 1

Proposition XXX

OFFICIAL TITLE: A MEASURE REFERRED TO THE PEOPLE BY THE CITY COUNCIL OF THE CITY OF FLAGSTAFF RELATING TO CONTINUATION OF A TRANSIT SALES TAX LEVY FOR PUBLIC TRANSPORTATION.

DESCRIPTIVE TITLE: Consideration of a levy of a Transaction Privilege Tax at a rate of 0.295% (\$0.00295) for a period commencing July 1, 2020, through June 30, 2030, for the purposes of acquiring, constructing, improving, operating, and maintaining equipment and facilities for a public transit system within the City of Flagstaff.

	Proposition XXX
A "yes" vote shall have the effect of approving a levy continuing a Transit Sales Tax through June 30, 2030 at the existing rate of 0.295%.	Yes
A "no" vote shall have the effect of disapproving a levy, and allowing the existing Transit Sales Tax to expire on July 1, 2020.	No

QUESTION NO. 2

Purpose: **Bonds for Municipal Court Facilities**

Amount: **\$12,000,000**

OFFICIAL TITLE: A MEASURE REFERRED TO THE TO THE PEOPLE BY THE CITY COUNCIL OF THE CITY OF FLAGSTAFF RELATING TO THE ISSUANCE OF BONDS IN A PRINCIPAL AMOUNT OF \$12,000,000 TO DESIGN AND CONSTRUCT MUNICIPAL COURT FACILITIES.

DESCRIPTIVE TITLE: Consideration of the sale and issuance of bonds to provide adequate court room facilities, prosecution facilities, prisoner transport and holding areas, separate circulation and movement for public, jurors, prisoners and court staff, prosecution staff, space for all court events, as well as staff, jurors and the public and sufficient parking for all of the above, shall the City of Flagstaff be authorized to sell and issue general obligation bonds in a principal amount up to \$12,000,000 and expend funds therefrom:

- for the purpose of design and construction of new facilities for the municipal court and paying necessary related costs;
- for the purpose of design and construction of a parking garage or similar structure to enhance both municipal court and public parking availability and paying necessary related costs and
- to pay all costs and expenses properly incidental thereto and to the issuance of bonds?

The bonds may be issued in one or more series, will not mature more than 25 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed _____% per annum, and will have such other provisions as are approved by the City Council. The following sentence has been included on this ballot as required by Arizona Revised Statutes 35-454(C): The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

A vote for the bonds shall have the effect of allowing the City Council to issue up to \$12,000,000 in general obligation bonds to design and construct municipal court facilities.

**For the
Bonds/Constructing
Municipal Court
Facilities**

☐

A vote against the bonds shall have the effect of not allowing the City Council to issue up to \$12,000,000 in general obligation bonds to design and construct municipal court facilities.

**Against the
Bonds/Constructing
Municipal Court
Facilities**

☐**QUESTION NO. 3**

OFFICIAL TITLE: PROPOSED BY INITIATIVE PETITION, ADDING A NEW TITLE 15, MINIMUM WAGE ACT, TO THE FLAGSTAFF CITY CODE

DESCRIPTIVE TITLE: Amendment to the Flagstaff City Code by adding a new Title 15, Minimum Wage Act, to enact a minimum wage for the City of Flagstaff and providing for enforcement and remedies for violations of the City minimum wage

A **YES** vote shall have the effect of adding a new Title 15, Minimum Wage Act, to the Flagstaff City Code to enact a minimum wage for the City

YES

☐

A **NO** vote shall have the effect of not adding a new Title 15, Minimum Wage Act, to the Flagstaff City Code and continuing to follow State and Federal laws related thereto

NO

☐

QUESTION NO. 4

OFFICIAL TITLE: PROPOSED BY INITIATIVE PETITION, PRESERVING APPROXIMATELY 253 ACRES OF CITY-OWNED REAL PROPERTY COMMONLY KNOWN AS MCMILLAN MESA AND APPROXIMATELY 47 ACRES OF CITY-OWNED REAL PROPERTY SOUTH OF BUFFALO AND MCPHERSON PARKS, AS OPEN SPACE

DESCRIPTIVE TITLE: Preserving approximately 253 acres of city-owned real property, commonly known as McMillan Mesa, and approximately 47 acres of city-owned real property south of Buffalo and McPherson Parks, as open space, permitting the City to use up to ten acres of the property for the construction of a veterans' services facility.

A **YES** vote shall have the effect of preserving city owned real property as open space, permitting use of up to ten acres for the construction of a veterans' services facility

YES

☐

A **NO** vote shall have the effect of not preserving city-owned real property as open space

NO

☐

EXHIBIT 'B'

FORM OF NOTICE FOR ARGUMENTS

REQUEST FOR ARGUMENTS FOR AND AGAINST PROPOSED
QUESTIONS TO BE SUBMITTED AT THE NOVEMBER 8, 2016, ELECTION

Pursuant to a resolution adopted by the Council of the City of Flagstaff, Arizona (the City), on July 8, 2016, a special election in and for the City was ordered and called to be held on November 8, 2016. Notice of the Election will be given by mailing an informational pamphlet to each household that contains a registered voter, with such pamphlet to include arguments for and against the proposed questions to be considered at the Election as indicated below:

Question 1: Transit Tax (Resolution No. 2016-25)

Question 2: Courthouse Bonding (Resolution No. 2016-27)

Question 3: Minimum Wage Act (proposed by initiative; yet to be determined if this will appear on the ballot)

Question 4: Preservation of City-Owned Open Space (proposed by initiative; yet to be determined if this will appear on the ballot)

Any person interested in providing any such argument is hereby requested to provide the same to the City Clerk, before 5:00 p.m., Arizona time on Wednesday, August 10, 2016. Further information on specific requirements for said arguments is included at A.R.S. §19-124.

If you have any questions about the foregoing, please contact Elizabeth Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth Burke

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Nicole Woodman, Sustainability Manager/Interim
Public Works Section Dir.

Date: 06/20/2016

Meeting Date: 07/05/2016



TITLE

Discussion: Arizona Power Authority Power Sales Contract

RECOMMENDED ACTION:

No action is required at the July 5, 2016 meeting. Staff will return on August 16, 2016, with the Arizona Power Authority Power Sales Contract for Council approval.

EXECUTIVE SUMMARY:

The Arizona Power Authority (APA) manages Arizona's allocation of hydroelectric power from the Hoover Dam for the benefit of the state. Within the scope of that management, APA cooperates with federal, state, and non-governmental agencies to address regulatory and environmental matters that impact electric and water uses of the Colorado River.

In an effort to stabilize future energy costs and diversify its energy portfolio, the City applied for hydroelectric energy allocations through state and federal agencies on March 31, 2014. The City was awarded 373 kilowatts (kW) of Schedule D hydroelectric power for distribution. Schedule D allocates power to eligible entities, who do not currently or historically have allocations of Hoover power.

The APA Power Sales Contract, finalized on July 1, 2016, will authorize the sale of up to 814,103 kilowatt hours (kWh) of Hoover Dam hydroelectric power to the City of Flagstaff annually for 50 years. 373 kW/814,103 kWh is equivalent to 2% of electricity used by the City in FY15 (36,636,576 kWh). The electric power will be distributed to Lake Mary Water Treatment Plant, Rio de Flag Wastewater Treatment Plant and Wildcat Wastewater Treatment Plant, the City's highest energy users.

APS electric rates at the three treatment plants range between \$0.077 - \$0.131 per kWh. For every penny saved per kWh, the City could save approximately \$4,400 annually. At the current energy allocation (373 kW), a conservative estimate for the City is between \$15,000 and \$20,000 in annual savings, which will only increase over time.

The 50-year contract would become effective on October 1, 2017 and end September 30, 2067. Flagstaff will be one of 71 Arizona districts, municipalities and tribes to receive an energy allocation from the APA. Examples of other Arizona cities slated to receive energy through the APA include: Buckeye, Chandler, Glendale, Globe, Payson, Peoria, Phoenix, Scottsdale, Sedona, Sierra Vista, Tempe, Tucson, Williams, and Yuma.

INFORMATION:

COUNCIL GOALS:

- 2) Ensure Flagstaff has a long-term water supply for current and future needs
- 3) Provide sustainable and equitable public facilities, services, and infrastructure systems in an efficient and effective manner to serve all population areas and demographics
- 7) Address key issues and processes related to the implementation of the Regional Plan

REGIONAL PLAN:

Goal E&C.2. Reduce greenhouse gas emissions.

Goal E.1. Increase energy efficiency.

Goal E.2. Expand production and use of renewable energy

Attachments: APA Power Sales Contract
 APA Projected Rates

FINAL DRAFT

POWER SALES CONTRACT

BETWEEN

ARIZONA POWER AUTHORITY

AND

[CUSTOMER]

Dated as of _____, _____

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Exhibit A – Delivery Conditions

Exhibit B – Customer Hoover Capacity and Hoover Energy Allocation

Exhibit C – Capacity and Energy Schedule

Exhibit D - Notices

Attachment 1 – Hoover Capacity and Hoover Energy Allocations for Authority Customers

ARIZONA POWER AUTHORITY

Power Sales Contract

This Power Sales Contract (“Contract”), entered into as of the _____ day of _____, _____, between ARIZONA POWER AUTHORITY, a body corporate and politic of the State of Arizona, (the “Authority”) and _____, (the “Customer”).

WITNESSETH:

WHEREAS, the Authority is a body corporate and politic of the State of Arizona created pursuant to Arizona Revised Statutes (“A.R.S”) Sections 30-101 et seq. (“Title 30”);

WHEREAS, the Authority is authorized by Title 30 to bargain for, take and receive in its own name on behalf of the State of Arizona, electric power developed by the United States of America from the waters of the main stream of the Colorado River and made available to the State of Arizona in its sovereign capacity;

WHEREAS, in 1928, the United States Congress enacted the Boulder Canyon Project Act, authorizing the Secretary of the Interior to construct, operate, and maintain Hoover Dam, including a plant to generate electrical energy from the water discharged from the reservoir;

WHEREAS, the Hoover Power Plant Act of 1984 (Pub. L. No. 98-381, 98 Stat. 1333) (“1984 Hoover Act”) statutorily allocated pools of Hoover Capacity and Hoover Energy to named contractors, including the Authority, for the period commencing June 1, 1987, through September 30, 2017, and directed the Secretary of Energy to offer a renewal contract to then-existing contractors for the amounts specified in “Schedule A” to the 1984 Hoover Act;

WHEREAS, the 1984 Hoover Act authorized the Department of Interior to increase the capacity of existing generating equipment of the Boulder Canyon Project under the Upgrading Program (as hereinafter defined) and certain non-federal purchasers of Boulder Canyon Project capacity and energy, including the Authority, advanced funds to finance the cost of the Upgrading Program;

WHEREAS, the 1984 Hoover Act statutorily allocated the increased capacity and associated energy resulting from the Upgrading Program to the contractors listed in “Schedule B” to the 1984 Hoover Act for the period commencing June 1, 1987, through September 30, 2017, including the Authority;

WHEREAS, A.R.S. Sections 45-1701 et seq. (“Title 45”) provide for the sale by the Authority of its capacity and energy from the Upgrading Program to purchasers within the State of Arizona, notwithstanding the provisions of Title 30, on such terms and conditions as the Authority deems necessary to effectuate the provisions of Title 45;

WHEREAS, the United States of America, acting through the Western Area Power Administration (“Western”), has been selling Hoover Capacity and Hoover Energy to the Authority pursuant to a contract that terminates on September 30, 2017;

WHEREAS, the Authority, in accordance with contracts that terminate on September 30, 2017, has been selling Hoover Capacity and Hoover Energy to various districts and municipalities in the State of Arizona in accordance with and in the manner required by Titles 30 and 45;

WHEREAS, prior to the effective date of this Contract, the Authority has administered programs that have allowed customers to improve operation and the efficiency and value of Hoover Capacity and Hoover Energy, and the Authority intends to administer similar programs during the term of this Contract, subject to approval by the Authority;

WHEREAS, the Hoover Power Allocation Act of 2011 (Pub. L. No. 112-72, 125 Stat. 777) (“2011 Act”) statutorily allocated Hoover Capacity and Hoover Energy from Schedules A and B to named Contractors, including the Authority, for the period commencing October 1, 2017, through September 30, 2067, and directed the Secretary of Energy to offer contracts for the specified amounts to those named Contractors, including the Authority;

WHEREAS, the 2011 Act also created a new resource pool, referred to as “Schedule D”, which is equal to five percent of the full rated capacity of the Hoover Power Plant, and associated firm energy, for allocation to “new allottees”;

WHEREAS, the 2011 Act directed the Authority to offer contracts to non-tribal new allottees located in the State of Arizona for the allocations made by Western and on December 18, 2014, Western allocated 66.7 percent of Schedule D capacity and associated energy (“Hoover D-1”) to new allottees (79 Fed. Reg. 75544, 75549-75550);

WHEREAS, the 2011 Act statutorily allocated 11.1 percent of Schedule D capacity and associated energy (“Hoover D-2”) to the Authority for further allocation to new allottees in the State of Arizona;

WHEREAS, on July 17, 2015, the Authority adopted the Final Hoover Power Marketing Plan-Post-2017 (“Post-2017 Marketing Plan”), thereby allocating its Hoover Capacity and Hoover Energy from the Hoover Power Plant for the period commencing October 1, 2017, and continuing through September 30, 2067;

WHEREAS, the Authority will execute a contract with Western for a fifty year period commencing October 1, 2017, and continuing through September 30, 2067, which provides for the purchase by the Authority of Arizona’s share of Hoover Capacity, Hoover Energy and Hoover C Energy;

WHEREAS, on September 15, 2015, the Authority adopted Resolution 15-18, Policy on Collection and Distribution of Repayable Advances, specifying the obligations of New Customers and Recapture Customers for payment of Repayable Advances (now known as “Repayable Capital Investments”), and the Authority’s procedure for distributing any reimbursed Repayable Advances to Existing Non-Recapture Customers;

WHEREAS, any person or operating unit authorized by Title 30 to enter into a contract with the Authority for the sale and transmission of Hoover power, and any municipality, district,

or public utility authorized by Title 45 may enter into a contract with the Authority for the sale and transmission of capacity and energy from the Upgrading Program;

WHEREAS, in order to provide for the payment of its cost of purchasing Hoover Capacity and Hoover Energy from Western as well as to provide for the payment of its bonds and notes, the Authority has determined to enter into contracts with the entities to whom the Authority has allocated Hoover Capacity and Hoover Energy pursuant to Title 30 and Title 45 and non-tribal entities to whom Western has allocated Hoover D-1 Capacity and Hoover D-1 Energy pursuant to the 2011 Act and associated federal regulations; and

WHEREAS, the Power Sales Contracts, the revenues derived from such contracts, and the Authority's Electric Service Contract are to be pledged and assigned by the Authority pursuant to Title 45 as security for the payment of any bonds or notes of the Authority issued or to be issued.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

SECTION 1. Definitions

Additional Delivery Location means any delivery location where the Customer receives Hoover Capacity, Hoover Energy or Hoover C Energy transmitted from the Point of Delivery pursuant to a Wheeling Agreement.

Ancillary Services means those generation services that are necessary to support the delivery of capacity and scheduled energy from resources to loads including, but not limited to those provided under the Electric Service Contract as those services are described in the Electric Service Contract and associated attachments.

Annual Budget means, with respect to a Contract Year, the budget of the Authority prepared by the Authority in accordance with Section 11 hereof for such Contract Year or, in the case of an amended Annual Budget, for the remainder of such Contract Year.

Authority means the Arizona Power Authority, a public body corporate and politic organized and existing under Title 30 of the A.R.S., and the successors and assigns to its duties and functions.

Average Monthly Hoover Capacity Entitlement means the aggregate sum of the Hoover Capacity portion of Customer's Entitlement to be made available at the Point of Delivery, for each month of the then current Contract Year as estimated by the Authority at the start of such Contract Year and irrespective of the Hoover Capacity actually made available or delivered to the Customer for such Contract Year, divided by the number of months in such Contract Year.

Balancing Authority means the responsible entity or sub-metered system that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority area, and supports interconnection frequency in real time.

Bill Crediting means the process whereby a Host Utility accepts Hoover Capacity or Hoover Energy for the Customer's benefit and through monthly billing provides a credit to the Customer for Hoover Energy and/or associated Hoover Capacity received by the Host Utility.

Billing Period means the service period beginning on the first day and extending through the last day of a calendar month.

Bond Counsel means an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds.

Bond Resolution means the Bond Resolution adopted by the Authority on December 6, 1985 providing for the issuance of Bonds, and all amendments and supplements thereto adopted in accordance with the provisions thereof.

Bonds means bonds or other evidences of indebtedness that have been or will be issued by the Authority pursuant to the Bond Resolution to pay any part of the Authority's Bonds, including Additional Bonds, Subordinated Indebtedness and Refunding Bonds, as defined and issued in accordance with the Bond Resolution.

Boulder Canyon Project (BCP) means all works authorized by the Boulder Canyon Project Act, as amended, the 1984 Hoover Act, as amended, and any future additions authorized by Congress or additions undertaken pursuant to the Electric Service Contract, to be constructed and owned by the United States, but exclusive of the main canal and its related appurtenances authorized by the Boulder Canyon Project Act, known as the All-American Canal.

Boulder Canyon Project Act means the Act of Congress approved December 21, 1928 (45 Stat. 1057, 43 U.S.C. § 617), as amended and supplemented.

Capacity and Energy Schedule means the schedule that the Authority and the Customer develop annually showing Customer's Entitlement, which schedule is based upon Western's Master Schedule, and other operational reports from Western and Reclamation, as such schedule may be revised based on a change in the availability of Hoover Capacity, Hoover Energy or Hoover C Energy, or upon the request of the Customer. Exhibit C sets forth the format of the Capacity and Energy Schedule.

Capacity Rate means the rate that the Authority uses to calculate the Demand Charge, as set forth in Section 11(b).

Commission means the Commission of the Authority, or if said Commission is abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power and duties granted or imposed by the Bond Resolution are given by law.

Conformed Criteria means the Conformed General Consolidated Power Marketing Criteria or Regulations for Boulder City Area Projects, published in the Federal Register Notice 49 FR 35671, dated June 14, 2012.

Contingent Capacity means the Hoover Capacity allocated to the Contractor pursuant to Section 2 of the 2011 Act and the Conformed Criteria.

Contract means this Power Sales Contract.

Contractor means an entity, including the Authority, that has a fully executed contract with Western for electric service from the Boulder Canyon Project for the fifty-year period commencing October 1, 2017, and continuing through September 30, 2067.

Contract Year means the period from October 1 of any year through September 30 of the subsequent year or such other consecutive 12-month period that the Authority designates as a Contract Year.

Customer means the entity defined as the Customer in the introductory paragraph of this Contract and the successors and assigns to its duties and functions.

Customer's Allocation means the Hoover Capacity and Hoover Energy that the Customer is entitled to receive at the Point of Delivery based on the allocation in the Post-2017 Marketing Plan, or the Boulder Canyon Project-Post 2017 Resource Pool adopted by Western on December 18, 2014 (79 Fed. Reg. 75544), including associated Ancillary Services and Environmental Attributes. Exhibit B sets forth Customer's Allocation at the Point of Delivery.

Customer's Entitlement means that portion of the Customer's Allocation that the Customer is entitled to receive at the Point of Delivery for the then current Contract Year as reflected in the Capacity and Energy Schedule, subject to any adjustments as provided in Sections 4 and 5.

Customers means all parties, other than the Authority, that execute Power Sales Contracts.

Customer Consultation Committee means the committee of Authority staff and Customer representatives described in Section 35 hereof.

Debt Service means, with respect to any period, the aggregate of the amounts required by the Bond Resolution to be paid or deposited during said period into any fund or account created by the Bond Resolution for the sole purpose of paying the principal (including sinking fund installments) of, premium, if any, and interest on all Bonds from time to time outstanding as the same shall become due (whether at the maturity of principal or at the due date of interest or upon redemption or purchase); provided, however, that Debt Service shall not include any amount payable as principal or interest solely by reason of the acceleration of the maturity of Bonds.

Demand Charge means the monthly charge for the Hoover Capacity portion of Customer's Allocation that the Authority calculates by multiplying the Capacity Rate by the Customer's Average Monthly Hoover Capacity Entitlement.

Demand Related Revenue Requirements means all Revenue Requirements determined by the Authority to be associated with the capacity charges paid by the Authority to Western, as set forth in Section 11(b) of this Contract.

Electric Service Contract means the Agreement between the Authority and Western, dated _____, Contract No. 16-DSR-12626, authorized by the 2011 Act, pursuant to which the Authority purchases Hoover Capacity, Hoover Energy and Hoover C Energy, as the same may be amended or supplemented.

Energy Charge means the monthly charge for the Hoover Energy portion of Customer's Allocation that the Authority calculates by multiplying the Energy Rate by the Customer's Forecasted Monthly Hoover Energy Entitlement.

Energy Planning and Management Program means the "Energy Planning and Management Program; Integrated Resource Planning Approval Criteria" published in the FEDERAL REGISTER on March 30, 2000 (65 Fed. Reg. 16789, et seq.), and any subsequent amendments thereto.

Energy Rate means the rate that the Authority uses to calculate the Energy Charge, as modified from time-to-time by the Authority during the Contract Year, as set forth in Section 11(b) of this Contract.

Energy Related Revenue Requirements means all Revenue Requirements determined by the Authority to be associated with the energy charges paid by the Authority to Western, as set forth in Section 11(b) of this Contract.

Environmental Attributes means the environmental characteristics that are attributable to a renewable energy resource, or to renewable energy from such a renewable energy resource, and shall include, but not be limited to, renewable energy or tax credits, offsets and benefits; green tags (regardless of how any present or future law or regulation attributes or allocates such characteristics); credits towards achieving renewable portfolio standard or emissions standards, and any reporting rights associated with any of the foregoing. Where practicable, such Environmental Attributes (such as renewable energy credits) shall be expressed in Megawatt hours (MWh), with one (1) MWh of Environmental Attributes produced for each one (1) MWh of energy generated by the renewable energy resource.

Existing Non-Recapture Customer means an entity that received an allocation from the Authority for the period June 1, 1987, through September 30, 2017, and as of September 30, 2017, had not had all of its allocation recaptured by the Authority.

Firm Energy means energy obligated from the Hoover Power Plant pursuant to Section 2 of the 2011 Act and the Conformed Criteria.

Forecasted Monthly Hoover Energy Entitlement means the forecasted Hoover Energy portion of Customer's Entitlement to be made available at the Point of Delivery, for each month of the then Contract Year as estimated by the Authority at the start of such Contract Year, taking into account lake levels, outages, and other events that may limit from time-to-time the actual Hoover Capacity and Hoover Energy available to the Customer.

Hoover A Capacity means the Contingent Capacity allocated to the Authority pursuant to Section 105(a)(1)(A) of the 1984 Hoover Act, as amended by Section 2(a) of the 2011 Act, and purchased by the Authority pursuant to the Electric Service Contract.

Hoover A Energy means the Firm Energy allocated to the Authority pursuant to Section 105(a)(1)(A) of the 1984 Hoover Act, as amended by Section 2(a) of the 2011 Act, and purchased by the Authority pursuant to the Electric Service Contract.

Hoover B Capacity means the Contingent Capacity allocated to the Authority pursuant to Section 105(a)(1)(B) of the 1984 Hoover Act, as amended by Section 2(b) of the 2011 Act, and purchased by the Authority pursuant to the Electric Service Contract.

Hoover B Energy means the Firm Energy allocated to the Authority pursuant to Section 105(a)(1)(B) of the 1984 Hoover Act, as amended by Section 2(b) of the 2011 Act, and purchased by the Authority pursuant to the Electric Service Contract.

Hoover C Energy means the energy allocated to the Authority pursuant to Section 105(a)(1)(C) of the 1984 Hoover Act, as amended by Section 2(c) of the 2011 Act and purchased by the Authority pursuant to the Electric Service Contract.

Hoover Capacity means Hoover A Capacity, Hoover B Capacity, Hoover D-1 Capacity, and Hoover D-2 Capacity.

Hoover D Capacity means Hoover D-1 Capacity and Hoover D-2 Capacity.

Hoover D-1 Capacity means the Contingent Capacity allocated by Western pursuant to Section 2(d)(2)(C) of the 2011 Act that the Authority has offered to non-tribal new allottees located in the State of Arizona, and purchased pursuant to the Electric Service Contract.

Hoover D-2 Capacity means the Contingent Capacity allocated to the Authority pursuant to Section 2(d)(2)(D) of the 2011 Act for allocation to new allottees in the State of Arizona, and purchased pursuant to the Electric Service Contract.

Hoover D Energy means Hoover D-1 Energy and Hoover D-2 Energy.

Hoover D-1 Energy means the Firm Energy allocated by Western pursuant to Section 2(d)(2)(C) of the 2011 Act that the Authority has offered to non-tribal new allottees located in the State of Arizona, and purchased by the Authority pursuant to the Electric Service Contract.

Hoover D-2 Energy means the Firm Energy allocated to the Authority pursuant to Section 2(d)(2)(D) of the 2011 Act for allocation to new allottees in the State of Arizona, pursuant to the Electric Service Contract.

Hoover Energy means Hoover A Energy, Hoover B Energy, Hoover D-1 Energy, and Hoover D-2 Energy.

Hoover Power Plant means the power plant at Hoover Dam, consisting of the seventeen (17) main generating units, and appurtenant facilities as may be improved, replaced, renovated, or expanded during the term of this Contract.

Host Utility means an entity directly connected to the Customer that provides electric utility services and is responsible for the physical delivery of power to the Customer's meter(s).

Legal Opinion means the document to be prepared by counsel for Customers pursuant to Section 30.

Load means electric power or electric energy required to meet a Customer's demand for electric service..

Loaded Synchronized Generation means the quantity of Boulder Canyon Project Synchronized Generation that is supplying Hoover Energy.

Master Schedule means the schedule described in the Electric Service Contract prepared by Western each year setting forth Western's estimate of power available by months to the Authority from the Boulder Canyon Project for the sixteen- (16) month period beginning on June 1 of any year and extending through September 30 of the next year.

Multi-Species Conservation Program means the Multi-Species Conservation Program as defined in section 9401 of the Omnibus Public Land Management Act of 2009 (Public Law 111-11; 123 Stat. 1327).

Multi-Species Conservation Program Agreement means the Trust Indenture and Joint Payment Agreement dated April 4, 2005, and any supplements or amendments thereto.

Net Repayable Advance means the difference between the amount that New Allottees must pay under Section 21(a) of this Contract and the amount of any Repayable Capital Investments that the Authority must pay Western under Section 20.5.4 of the Restated Agreement, plus the amount collected by the Authority from New Customers receiving Hoover A Capacity and Hoover A Energy and Recapture Customers under Section 21(a) of this Contract.

New Allottee means Customers not receiving Contingent Capacity and Firm Energy under subparagraphs (A) and (B) of paragraph (1) of 43 U.S.C. section 619a(a), including in the State of Arizona, those Customers that received a Hoover D-2 Capacity and Hoover D-2 Energy allocation from the Authority, and those that received a Hoover D-1 Capacity and Hoover D-1 Energy allocation from Western that contract with the Authority for the power allocated to them by Western.

New Customer means a Customer that received an allocation of Hoover Capacity and Hoover Energy from the Authority under the Post-2017 Marketing Plan, or from Western under the Boulder Canyon Project-Post 2017 Resource Pool adopted by Western on December 18, 2014 (79 Fed. Reg. 75544), but did not receive a power allocation from the Authority under the "Final Hoover Power Marketing Post-1987" document published by the Authority on June 7, 1985.

Operating Reserves - Spinning means Boulder Canyon Project generation that is synchronized to the electric power system and fully available to respond in accordance with applicable regulatory standards and requirements.

Operating Reserves - Supplemental means Boulder Canyon Project generation capable of being synchronized to the electric power system that is fully available to respond in accordance with applicable regulatory standards and requirements.

Point of Delivery means the Mead 230kV Bus or any other delivery points set forth in Exhibit A.

Power Sales Contract means this Contract and the other Power Sales Contracts, dated the date hereof, between the Authority and each of the Customers, all relating to Hoover Capacity, Hoover Energy and Hoover C Energy, as the same may be amended from time to time.

Ramping means the change in scheduled delivery of Hoover Capacity and Hoover Energy from one period to another through static schedules or by more frequent changes in schedules through dynamic control.

Readvances means available funds appropriated by the Secretary of the Treasury for replacements related to the Boulder Canyon Project. Those replacements funded with readvances are amortized and repaid by the contractors over fifty (50) years.

Recapture Customer means a Customer that received an allocation of Hoover B Capacity and Hoover B Energy from the Authority under the Post-2017 Marketing Plan, and received a Schedule B capacity and energy allocation from the Authority under the “Final Hoover Power Marketing Post-1987” document published on June 7, 1985, but had its Schedule B allocation under the “Final Hoover Power Marketing Post-1987” document recaptured by the Authority. The two entities that qualify as Recapture Customers are City of Mesa and Ak-Chin Tribe.

Reclamation means the Bureau of Reclamation of the Department of the Interior of the United States of America and the successors and assigns to its duties and functions.

Regulation means an Ancillary Service, including ramping up and ramping down, provided dynamically by Western in response to a digital signal from the Balancing Authority(ies) or other capable entity(ies). This service provides for following the moment-to-moment variations in the demand or supply in a Balancing Authority area and maintaining scheduled interconnection frequency.

Repayable Capital Investments means the amount calculated by Reclamation pursuant to Section 20.4 of the Restated Agreement for the purpose of determining payment obligations and reimbursements due, if any under Section 20.5 of the Restated Agreement.

Replacement Capital Investments means ninety-six percent of the sum of the BCP multi-year and annual replacement amounts, together with interest during construction on those expenditures that are for BCP replacement items not placed in service in the year such expenditures are made.

Reserves means Operating Reserves - Spinning and Operating Reserves - Supplemental.

Restated Agreement means the Amended and Restated Implementation Agreement No. 95-PA0-10616, including all exhibits and attachments thereto.

Revenue Requirements means all costs and expenses paid or incurred or to be paid or incurred by the Authority in connection with the acquisition and delivery of Hoover Capacity and Hoover Energy at the Point of Delivery including, without limitation, the following items of cost:

- (1) payments of Debt Service and payments that the Authority is required to make into the Debt Service Account in the Debt Service Fund or the Subordinated Indebtedness Fund under the terms of the Bond Resolution to pay Debt Service;
- (2) amounts required under the Bond Resolution to be paid or deposited into any fund or account established by the Bond Resolution (other than the Debt Service Account or the Subordinated Indebtedness Fund referred to in clause (1) above), including, but not limited to, any amounts required to be paid or deposited by reason of the transfer of moneys from the Debt Service Reserve Account in the Debt Service Fund to the Debt Service Account in the Debt Service Fund, and any amounts required to be paid into the Monthly Payment Reserve Account;
- (3) additional amounts that must be collected by the Authority in order to meet the requirement of any rate covenant with respect to coverage of Debt Service on Bonds contained in the Bond Resolution or which the Authority deems advisable in the marketing of its Bonds or the management of its financial operations;
- (4) costs incurred in connection with interest rate exchanges, futures contracts or other financing arrangements permitted under the Bond Resolution;
- (5) costs of letters of credit, lines of credit, insurance and any other means of providing credit enhancement or credit support in connection with the issuance, sale and marketing of Bonds;
- (6) amounts, if any, that the Authority is required to pay pursuant to the Electric Service Contract, including, without limitation, and to the extent the same is required to be a Revenue Requirement, the cost of Hoover C Energy to the extent such cost is not otherwise recovered by the Authority from the sale of Hoover C Energy;
- (7) amounts, if any, that the Authority is required to pay pursuant to the Restated Agreement, including, but not limited to, its portion of Replacement Capital Investments, Working Capital requirements, and operating reserves;
- (8) amounts attributable to the Authority's respective contribution to the cost of the Multi-Species Conservation Program, in accordance with the 2011 Act, the Multi-Species Conservation Program Agreement, and this Contract.

(9) operating expenses and costs of the Authority (including administrative and general expenses and taxes or payments in lieu thereof) relating to the acquisition and delivery of Hoover Capacity and Hoover Energy not included in the costs specified in the other items of this definition; and

(10) an amount, if needed, not to exceed 3% of the Revenue Requirements, to be utilized by the Authority for power development activities that the Authority is authorized to undertake pursuant to Title 30 and Title 45; provided that any expenditures shall be undertaken pursuant to specific direction provided by the Commission according to an appropriate administrative process; and provided further if any such activities are developed into revenue producing power arrangements then the net revenue, if any, from such revenue producing power arrangements shall be credited against Revenue Requirements in such amounts and in such Contract Years as shall be determined by the Authority.

Amounts, if any, derived by the Authority from the sale of Hoover C Energy, over its costs thereof, shall be credited against Revenue Requirements.

Scheduling Entity means one or more entities designated by the Authority to coordinate scheduling of Hoover Capacity, Hoover Energy, and Hoover C Energy deliveries to Authority Customers.

Scheduling and Accounting Procedures means the operating arrangements and scheduling and accounting procedures developed by the Authority and its Scheduling Entity(ies) as part of any SEA to schedule Hoover Capacity and deliver Hoover Energy, Hoover C Energy, and other resources available under this Contract. The Scheduling and Accounting Procedures are intended to implement the terms of this Contract, any SEA, and the Electric Service Contract, but are not intended to modify or amend any of these agreements. In the event of a conflict between the terms of this Contract, any SEA, or the Electric Service Contract and the Scheduling and Accounting Procedures, the respective agreement will control.

Scheduling Entity Agreement (SEA) means that separate agreement that the Authority will execute with the Authority's Scheduling Entity(ies) regarding scheduling and delivery of Hoover Capacity, Hoover Energy, Hoover C Energy, and other resources available to the Authority for use by the Customer under the Electric Service Contract.

Synchronized Generation means Hoover Capacity available from any of the Hoover Power Plant generating units synchronized to the electric power system.

Transitional Items means financial obligations of the BCP funded by the 2011 Act Schedule A and Schedule B Contractors prior to October 1, 2017, which have not been expensed as of that date. Transitional Items also include sequestered funds, which are unavailable to spend as of October 1, 2017.

Tribal Entity means a Customer that is a federally recognized Indian Tribe, including an entity, enterprise, or authority of a federally recognized Indian Tribe that is formed by such tribe to lawfully use the Customer's Allocation.

Upgrading Program means the program authorized by Section 101(a) of the 1984 Hoover Act for increasing the generating Capacity of the original Hoover Power Plant.

Unloaded Synchronized Generation means the difference between scheduled Synchronized Generation and Loaded Synchronized Generation.

Western means the Western Area Power Administration, an agency of the Department of Energy of the United States of America, and the successors and assigns to its duties and functions.

Wheeling Agreement means any transmission agreement executed by the Authority for the specific benefit of the Customer for the transmission of Hoover Capacity, Hoover Energy, and Hoover C Energy hereunder from the Point of Delivery to any Additional Delivery Location(s), as the agreement may be amended, supplemented or substituted.

Working Capital means funds required to perform capital work on Boulder Canyon Project facilities as specified in the Restated Agreement. These are funds advanced by the Authority to meet BCP cash flow needs and may be adjusted through the Annual Revenue Requirement pursuant to the Restated Agreement.

SECTION 2. Term of Contract

(a) This Contract shall become effective on October 1, 2017 and shall remain in effect until midnight, Mountain Standard Time, September 30, 2067, unless terminated in accordance with the provisions of this Contract.

(b) The date of initial service hereunder shall be October 1, 2017; provided, that for Customers allocated Hoover D-1 Capacity and Hoover D-1 Energy, this Contract shall not go into effect if the Customer does not have the necessary arrangements for transmission and/or distribution service in place by October 1, 2016.

(c) The Authority may terminate this Contract on and after September 30, 2037, upon five years' prior written notice to the Customer; provided, however, that the Authority shall only exercise this right to the extent consistent with federal law.

(d) In the event of a recapture in accordance with Section 7(b), this Contract shall terminate on the effective date of the contract selling all of the Customers Allocation. In the event of a recapture under Section 27 where all of a Customer's Hoover Capacity and Energy is subsequently reallocated for the unexpired term of the Customer's Contract, this Contract shall terminate on the effective date of the reallocation as provided in written notice from the Authority. The Customer shall remain responsible for all payments under this Contract unless and until a reallocation of the Customer's Allocation is implemented.

(e) If Hoover D-1 Capacity or Hoover D-1 Energy is made available under this Contract, any termination of this Contract pursuant to either Section 2(c) or Section 2(d) shall require approval by Western, as set forth in the Electric Service Contract.

SECTION 3. Sale and Purchase of Hoover Capacity and Hoover Energy

(a) During the term of this Contract, the Authority agrees to sell to Customer the Customer's Allocation at the Point of Delivery, subject to adjustment in accordance with Section 4 and Section 5 hereof.

(b) The Customer agrees to purchase the Hoover Capacity and Hoover Energy that comprises Customer's Allocation at the rates and charges set forth in Section 11 of this Contract, and in accordance with this Contract. The Customer's obligation to make the payments pursuant to Section 11 of this Contract shall be payable irrespective of whether any Hoover Capacity or Hoover Energy is received from, or delivered by, the Authority hereunder, and, except as provided in Section 7 and 28, such payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise, and shall not be conditioned upon the performance by the Authority under this Contract or any other agreement or instrument.

SECTION 4. Hoover Capacity Available to the Customer

(a) Subject to the availability of Hoover Capacity as set forth in the Capacity and Energy Schedule, the Authority will make the Hoover Energy portion of Customer's Allocation available to the Customer at the Point of Delivery in amounts that the Customer may from time to time schedule in accordance with Section 5, at a rate of delivery up to the Customer's Allocation of Hoover Capacity.

(b) Reductions in Hoover A Capacity, Hoover B Capacity, or Hoover D Capacity respectively, to be made available to the Authority pursuant to the Electric Service Contract, may occur, among other reasons, as a result of forced, scheduled or maintenance outages, river operations or reservoir drawdowns, or as a result of testing of the generators by order of the Secretary of Interior. Any such reduction in Hoover Capacity will be prorated in proportion to the ratio that Customer's Allocation of Hoover Capacity bears to the sum of all Customer Allocations of Hoover Capacity as set forth in Attachment 1. If necessary, from time-to-time, the Authority will furnish the Customer a revised Capacity and Energy Schedule that reflects any increase or decrease in Hoover Capacity.

SECTION 5. Hoover Energy Available to the Customer

(a) The Authority will make the Hoover Energy portion of the Customer's Allocation available to the Customer each month of the Contract Year in the amounts set forth in the Capacity and Energy Schedule developed annually by the Authority in accordance with Section 5(c). Delivery in any Billing Period shall not exceed the amount of Hoover Energy to be made available to the Customer for such month as set forth in the Capacity and Energy Schedule, unless approved by the Authority.

(b) Reductions in Hoover A Energy, Hoover B Energy, or Hoover D Energy respectively, to be made available to the Authority pursuant to the Electric Service Contract, may occur as a result of forced, scheduled or maintenance outages, river operations or reservoir drawdowns, or as a result of testing of the generators by order of the Secretary of Interior. Any reduction in Hoover Energy made available to the Authority will be prorated in proportion to the ratio that the Customer's Allocation of Hoover Energy bears to the sum of all Customer

Allocations of Hoover Energy, as set forth in Attachment 1. If necessary, from time-to-time, the Authority will furnish the Customer a revised Capacity and Energy Schedule that reflects any increase or decrease in Hoover Energy.

(c) At least forty-five (45) days prior to the start of each Contract Year, the Authority will advise the Customer in writing of the amount of Hoover Capacity and Hoover Energy estimated by the Authority to be available for delivery to the Customer during the Contract Year. This estimate will be based upon Western's Master Schedule, and other operational reports from Western and Reclamation for the months in such Contract Year. Within thirty (30) days following receipt of such information, the Customer shall submit in writing a preliminary schedule by month for delivery of the Hoover Energy, which preliminary schedule will be approved, or modified if necessary, by the Authority after consultation with the Customer. Based upon the approved schedule, the Authority will furnish the Customer with a final Capacity and Energy Schedule that will be effective during the Contract Year. If Western revises its Master Schedule or Western or Reclamation revise any other operational reports during such Contract Year, the Authority will consult with the Customer and the Authority's Scheduling Entity regarding potential revisions to the Capacity and Energy Schedule for the remaining months of the Contract Year.

(d) The Customer may, at any time during a Contract Year, request that the Authority revise the amount of Hoover Energy that the Customer is scheduled to receive during any month or months of such Contract Year as set forth in the Capacity and Energy Schedule; provided that no such scheduling revision shall decrease the amount of Hoover Energy any other Customer is scheduled to receive without the consent of such other Customer(s). The Authority shall have the right to accept or deny such requests in its sole discretion, which acceptance shall not be unreasonably withheld.

(e) The Customer shall have the right to its pro-rata share of available Ancillary Services, based upon the Customer's Allocation. The Customer may access such Ancillary Services through the use of a dynamic signal. To exercise this right, the Customer must notify the Authority of its intent to use these Ancillary Services and, if a dynamic signal will be used, must participate in the establishment of a dynamic signal. Any agreement related to use of Ancillary Services or establishment of a dynamic signal will be subject to review by the Authority, which approval shall not be unreasonably withheld.

(f) If the Customer does not elect to use its pro-rata share of Ancillary Services, then the Authority will use its best efforts to market any portion of the Customer's share of Ancillary Services and dynamic signal that the Customer elects not to use. Any such sale of Ancillary Services and dynamic signal shall be pursuant to a separate agreement among the Authority, the relevant Balancing Authority(ies) or other capable entity(ies), and the relevant Customers that are parties to the sale.

(g) If it is necessary for a new dynamic signal to be established with a Balancing Authority or other capable entity(ies) in order for the Customer to use the Ancillary Services granted under this Contract, then the Customer will be responsible for paying any and all costs related to its establishment and use of the new dynamic signal. If more than one

Customer is involved in establishing a new dynamic signal, the cost for establishing any such signal shall be paid by the participating Customers.

(h) The Customer, through use of a dynamic signal, shall have the right on a pro-rata basis to Loaded Synchronized Generation, Operating Reserves - Spinning, and Operating Reserves – Supplemental, the sum of which shall not exceed the portion of the Customer's Allocation of Hoover Capacity that is available. The Customer shall have the right to Synchronized Generation in a range from zero (0) to full Synchronized Generation and the reverse. With the use of these Ancillary Services and associated energy losses, the Hoover Energy portion of Customer's Entitlement may be reduced in the next Billing Period, or as soon thereafter as possible, to the extent and at the time that Western reduces the Authority's Available Energy under the Electric Service Contract.

(i) The Customer shall have the right to schedule Hoover Capacity and Hoover Energy on a static basis, but in doing so, will not have access to Regulation or Operating Reserves - Spinning, but will have access to Operating Reserves - Supplemental and Ramping needed to manage schedule changes.

(j) The Post-2017 Marketing Plan established distribution priorities for any Hoover C Energy made available to the Authority under the Electric Service Contract. Consistent with these distribution priorities, the Authority may offer to sell Hoover C Energy to the Customer if and when it becomes available to the Authority. No Customer shall be obligated to accept Hoover C Energy. Any Hoover C Energy the Customer agrees to purchase shall be included in the Capacity and Energy Schedule. The amount of Hoover C Energy to be made available to the Customer shall not exceed the amount set forth in the schedule, and any reduction shall be prorated among the Customers in the Authority's priority classification(s) that have accepted available Hoover C Energy. If the Authority offers to sell Hoover C Energy, and if the Customer agrees to purchase such Hoover C Energy, the Authority agrees to, if requested by the Customer, coordinate delivery of such Hoover C Energy to the Customer at the Point of Delivery or any Additional Delivery Location(s) in accordance with the applicable provisions of any Wheeling Agreement(s).

SECTION 6. Firming Capacity and Firming Energy

(a) Pursuant to a prior written agreement between the Customer and the Authority, and as allowed by law, the Authority will purchase capacity to firm the Hoover Capacity portion of Customer's Allocation.

(b) Pursuant to a prior written agreement between the Customer and the Authority, and as allowed by law, the Authority will purchase energy to firm the Hoover Energy portion of Customer's Allocation up to the equivalent of 100 percent capacity factor of the Customer's Allocation.

(c) The Customer will pay in advance for any such purchases by the Authority.

(d) The Customer, through the Authority's Scheduling Entity, may be required by the Authority to schedule a minimum rate of delivery of energy when the Authority

purchases energy pursuant to Section 6(a). The amount of energy to be scheduled at such minimum rate of delivery in connection with the Authority's purchases shall be the product of the overall minimum rate of delivery for all Authority purchases multiplied by a fraction where the numerator is the amount of Authority purchases for the Customer and the denominator is the aggregate amount of Authority purchases for all participating Customers.

SECTION 7. Tender or Relinquishment of Hoover Capacity and Hoover Energy

(a) The Customer may tender or relinquish ("lay off") capacity or energy for resale by the Authority. The Authority will use its best efforts to sell the Customer's tendered or relinquished Hoover Capacity or Hoover Energy and will apply the net proceeds from the sale towards the Customer's payment obligations under this Contract. The Customer tendering or relinquishing Hoover Capacity or Hoover Energy will still be obligated to pay for any and all Hoover Capacity and Hoover Energy making up the balance of the Customer's Entitlement. No tender or relinquishment of Hoover Capacity or Hoover Energy shall relieve the Customer of its obligations under this Contract. The Authority retains the option to recapture pursuant to Section 27 a tender or relinquishment of Hoover Capacity and Hoover Energy pursuant to this Section 7 that exceeds three (3) consecutive Contract Years.

(b) The tender or relinquishment of Customer's Hoover Capacity and Hoover Energy shall be deemed a recapture if the tender or relinquishment is for the unexpired term of the Purchaser's Contract, and the Authority has contracted to sell the tendered or relinquished Hoover Capacity and Energy under the same terms and conditions as those contained in this Contract.

(c) If Hoover D-1 Capacity or Hoover D-1 Energy is made available under this Contract, the Customer may permanently relinquish Customer's Allocation of Hoover D-1 Capacity and Hoover D-1 Energy to Western. If Western offers Customer's Hoover D-1 Capacity and Hoover D-1 Energy to the other non-tribal Western allottees in the State of Arizona that have executed a Power Sales Contract with the Authority, and one or more of these allottees accept Customer's Hoover D-1 Capacity and Hoover D-1 Energy, then the Customer's contract will terminate. The Customer will remain responsible for all payments under this Contract unless and until a reallocation of the Customer's Allocation is implemented. If Customer's Contract includes Hoover D-2 Capacity and Hoover D-2 Energy in addition to Hoover D-1 Capacity and Hoover D-1 Energy, then Customer's Contract will remain effective with respect to Customer's Hoover D-2 Capacity and Hoover D-2 Energy.

SECTION 8. Programs to Maximize the Value of Hoover Capacity and Hoover Energy

Consistent with the Authority's regulations, the Customer may participate in programs designed to maximize the value of Customer's Allocation. With respect to any of these programs, the Authority may request that the Customer file copies of all relevant agreements with the Authority. The Customer may participate in such programs, as follows:

(a) With the Authority's prior written approval, not to be unreasonably withheld, power pooling agreements that provide for the Customer to aggregate or commingle

the Customer's Hoover Capacity or Hoover Energy with the Hoover Capacity or Hoover Energy of other Customers; and

(b) With the Authority's approval, not to be unreasonably withheld, banking of Hoover Energy, displacements, exchange of banked Hoover Energy among Customers, and exchanges of Hoover Capacity or Hoover Energy among Customers.

SECTION 9. Environmental Attributes Available to the Customer

The Authority will use best efforts to maintain the right to any and all Environmental Attributes available to it under the Electric Service Contract. Customer shall have the right to use a pro-rata share of any Environmental Attributes associated with the Customer's Allocation that are available to the Authority pursuant to the Electric Service Contract or otherwise. Customer's pro-rata share will be equal to Customer's Allocation as compared to all Customer Allocations. The Customer will not be deemed to have elected not to use Environmental Attributes unless the election is made in writing. If the Customer elects not to use its pro-rata share of Environmental Attributes, then the Authority will use its best efforts to market or create value, to the extent allowed by the Electric Service Contract, for any portion of the Customer's share of Environmental Attributes that the Customer elects not to use. Any sale of Environmental Attributes shall be pursuant to a separate agreement among the Authority, the relevant purchasing entity, and the relevant Customers. Such Environmental Attributes (such as renewable energy credits) shall be expressed in MWh, with one (1) MWh of Environmental Attribute produced for each one (1) MWh of energy generated by the renewable energy resource.

SECTION 10. Transmission of Hoover Capacity and Hoover Energy

(a) Pursuant to the Electric Service Contract, Western will deliver Hoover Capacity and Hoover Energy to the Authority at the Point of Delivery. The Authority will deliver Customer's Entitlement at the Point of Delivery and the Customer, except as provided for in Section 10(b), must arrange for transmission service to transmit its Hoover Capacity and Hoover Energy from the Point of Delivery to any Additional Delivery Location(s). Upon request of the Customer, the Authority will help coordinate transmission arrangements so that its Hoover Capacity and Hoover Energy will be delivered from the Point of Delivery to the Customer or to the Customer's Hoover Capacity and Hoover Energy transmission provider.

(b) If the Customer is unable to independently procure transmission service to transmit the Customer's Entitlement from the Point of Delivery to any Additional Delivery Location(s), then upon request of the Customer, the Authority will use its best efforts to procure transmission service for the Customer by executing a Wheeling Agreement; provided, however, that the Customer agrees to pay all costs associated with transmission of Hoover Capacity and Hoover Energy for the Customer from the Point of Delivery to the Customer's Additional Delivery Location(s) under any Wheeling Agreement(s). The Customer further agrees that it will adhere to any transmission service specifications set forth in any Wheeling Agreement(s) and will adhere to applicable limitations and requirements of a Host Utility's Bill Crediting program, if applicable.

SECTION 11. Annual Budget and Determination of Demand and Energy Charge

(a) The Authority shall prepare, or cause to be prepared, and deliver to each Customer a proposed Annual Budget at least sixty (60) days prior to the beginning of each Contract Year. The proposed Annual Budget shall itemize for such Contract Year the Authority's estimates of all Revenue Requirements and all revenues and other funds available to the Authority for the payment of such Revenue Requirements as well as the estimated amount of Hoover Capacity and Hoover Energy that formed the basis of such revenue estimates. In preparing the Annual Budget, the Authority, to the extent it incurs costs or expenses that relate to non-Hoover capacity and energy functions to be payable from Revenue Requirements, shall delineate such costs and expenses. At any time up to the forty-fifth (45th) day prior to the beginning of the Contract Year, the Customer may submit any comments with respect to the Annual Budget. After consideration of any comments of the Customers, the Commission, not less than thirty (30) days prior to the beginning of such Contract Year, shall adopt an Annual Budget for such Contract Year and shall cause copies of such Annual Budget to be delivered to each Customer. Notwithstanding the foregoing, the Annual Budget for the first Contract Year shall be prepared, considered, adopted and delivered in the manner that the Authority shall deem most practicable under the circumstances.

(b) The Authority will establish and maintain rates under this Contract and the other Contracts that will provide revenues that are sufficient to meet the estimated Revenue Requirements of the Authority. The capacity charges and the energy charges paid by the Authority to Western for Hoover Capacity and Hoover Energy under the Electric Service Contract shall be assigned to the Demand Related Revenue Requirements and Energy Related Revenue Requirements, respectively. The balance of the Authority's Revenue Requirements shall be assigned to Demand Related Revenue Requirements and Energy Related Revenue Requirements in the same percentage proportion that Western assigns costs to capacity and energy charges in the Electric Service Contract. The Authority shall determine the Capacity Rate for each Billing Period by dividing the estimated Demand Related Revenue Requirements by the product of the number of months in such Contract Year times the total aggregate sum of the Average Monthly Hoover Capacity Entitlement of all the Customers. The Authority shall determine the Energy Rate by dividing the estimated Energy Related Revenue Requirements by the total aggregate amount of the Forecasted Monthly Hoover Energy Entitlement estimated by the Authority to be scheduled and delivered to all Customers during such Contract Year, as modified from time-to-time by the Authority during such Contract Year.

(c) If, at any time after the adoption of the Annual Budget, the Authority estimates that the Revenue Requirements or revenues to be furnished for the Contract Year or any part thereof for which such Annual Budget applies will be greater or less than the Revenue Requirements or revenues set forth in the Annual Budget, then the Authority may prepare an amended Annual Budget and revise the Capacity Rate and Energy Rate in accordance with such amended Annual Budget. Any amended Annual Budget shall be adopted by the Commission, but with reasonable notice to, and opportunity for comments from, the Customers and thereafter transmitted to each Customer and shall supersede the Annual Budget or any amended Annual Budget previously provided.

(d) In the event that a budget for the ensuing Contract Year has not been adopted on or before the first day of the Contract Year, the total amount budgeted for the preceding Contract Year shall be the total amount of the temporary budget for such purposes for the ensuing Contract Year. The temporary budget shall be effective only until such time as a permanent budget has been finally adopted and approved by the Commission as provided herein.

(e) The Customer shall pay the Authority for Hoover Capacity and Hoover Energy at the rates established by the Authority, as the same may be revised from Contract Year to Contract Year and from time to time within a Contract Year in accordance with the provisions of this Contract and any amendment to the Annual Budget.

(f) The Customer shall pay the sum of (i) the Demand Charge (ii) the Energy Charge, and (iii) any charge for Hoover C Energy purchased by the Customer under Section 5(j), as adjusted for any credits specified in this Section 11(f). Amounts, if any, derived by the Authority from the sale of the Customer's share of Environmental Attributes, Ancillary Services, or the dynamic signal to one or more Balancing Authorities, shall be used by the Authority to reduce the Customer's Demand Charge, Energy Charge, and Hoover C Energy charge in proportion to the Customer's pro-rata share of the Environmental Attributes, Ancillary Services, or the dynamic signal that is sold.

(g) On or before the 3rd business day of each month beginning with the second month of the first Contract Year, the Authority shall render to the Customer a monthly statement showing, in each case with respect to the preceding month, (i) the amount of the Demand Charge, the Energy Charge, and any charge for Hoover C Energy payable by the Customer for such month; and (ii) the amount, if any, determined in accordance with this Section 11 to be credited to or paid by the Customer with respect to any adjustment for actual Demand Related Revenue Requirements and Energy Related Revenue Requirements; and such Customer shall pay the total of such amounts at the times specified in paragraph (h) of this Section 11.

(h) Monthly payments required to be paid to the Authority pursuant to this Section 11 shall be due and payable to the Authority at the address of the Authority set forth in Section 32 of this Contract or the account of the Authority via wire transmission, on or before the later of (i) the 15th day after the date of such monthly statement or (ii) the 15th day after the date such statement is mailed or electronically mailed, as indicated by the postmark date or electronic mail date stamp; provided, that, if said 15th day is a Saturday, Sunday or a day on which banks in the State of Arizona are authorized to be closed, the next following day on which banks in the State of Arizona are authorized to be open shall be the day that such payment is due.

(i) If payment in full is not actually received by the Authority on or before the close of business on the due date of such payment as provided in paragraph (h) of this Section 11, the Authority shall charge the Customer an initial late payment charge equal to two percent (2%) of the unpaid amount. Each day after the due date of such payment as provided in paragraph (h) of this Section 11, a charge of five hundredths percent (0.05%) of the principal sum unpaid shall be added until the amount due, including the two percent (2%) initial late payment charge, is paid in full. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal. Remittances received by mail or wire transmission will be accepted without assessment of such charges if the postmark or

date stamp indicates that the payment was mailed or wired on or before the due date of such payment as provided in paragraph (h) of this Section 11.

(j) In the event of any dispute as to any portion of any monthly statement, the Customer shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to the Authority by the date such payment is due or within ten (10) business days after the Customer first obtains knowledge of the principal fact on which the dispute is based, whichever is later. Such notice shall identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. The Authority shall give consideration to such dispute and shall advise the Customer in writing with regard to its position relative thereto within thirty (30) calendar days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount, including interest on any overpayment at the London Inter Bank Offered Rate during the period of the overpayment, shall be properly reflected in the statement next submitted to the Customer after such determination.

(k) Credits required to be made against Revenue Requirements pursuant to the provisions of this Section 11 or as provided in the definition of Revenue Requirements in Section 1 of this Contract will be made in the then current Contract Year or the next succeeding Contract Year, as determined by the Authority.

(l) As soon as possible, after the end of each Contract Year, the Authority will submit to the Customer a detailed statement of the actual aggregate Demand Related Revenue Requirements and Energy Related Revenue Requirements for such Contract Year and any adjustment thereof or credit thereto pursuant to this Section 11, and the Customer's share of each, and all other amounts, if any, payable by or credited to the Customer pursuant to this Contract for all of the months of such Contract Year, and adjustments of such aggregate Demand Related Revenue Requirements and Energy Related Revenue Requirements, if any, for any prior Contract Year and any adjustment thereof or credit thereto pursuant to this Section 11 allocable to the Customer, based on such detailed statement. If, on the basis of the statement submitted as provided in this paragraph, the actual aggregate Demand Related Revenue Requirements and Energy Related Revenue Requirements for such Contract Year and any adjustment thereof or credit thereto pursuant to this Section 11 allocable to the Customer and other amounts payable for such Contract Year exceed the estimate thereof on the basis of which the Customer has been billed or are less than the estimate thereof on the basis of which such Customer has been billed or if the Customer's Entitlement is different than that which formed the basis of the Capacity Rate and the Energy Rate for such Contract Year, the amount of the deficiency or excess shall be added or credited, as the case may be, to the Customer's monthly statement during the current Contract Year in a manner deemed equitable by the Authority. If the Customer is not entitled to receive any Hoover Capacity and Hoover Energy in the next Contract Year, the Authority shall pay to the Customer any credit due the Customer and the Customer shall pay to the Authority any amounts owing the Authority all as determined by such detailed statement of the actual aggregate Demand Related Revenue Requirements and Energy Related Revenue Requirements, or Customer's Entitlement.

(m) If the Customer decides to participate in a power development activity that was initially studied by the Authority using funds collected under subsection 10 of the Revenue Requirements, and one or more Authority Customers elects not to participate, then the Customer shall join other participating Customers in reimbursing each Customer that elects not to participate in the activity for the amount paid by such Customer(s) to the Authority for study of the activity. The participating Customer will reimburse the non-participating Customer(s) in proportion to the total costs paid by the participating Customer toward the power development activity.

SECTION 12. Scheduling Entity Agreement

Pursuant to Section 6.11.5 of the Electric Service Contract, the Authority will designate one or more Scheduling Entities responsible for scheduling the Authority's Hoover Capacity, Hoover Energy, Hoover C Energy, and other resources available to the Authority for use by the Customer under the Electric Service Contract.

The Authority will execute a Scheduling Entity Agreement (SEA) with one or more Scheduling Entities that will require each Scheduling Entity, as applicable, to adhere to Western's Metering and Scheduling Instructions, as set forth in Attachment 6 of the Electric Service Contract.

The Authority will work with each Scheduling Entity to develop operating arrangements, scheduling, and accounting procedures, as may be necessary to implement each SEA or to supplement Western's Metering and Scheduling Instructions. Such procedures will be attached to each SEA as "Scheduling and Accounting Procedures." These Scheduling and Accounting Procedures may, from time-to-time, be revised by the Authority and the Scheduling Entity as necessary to implement the SEA.

Authority staff will work in consultation with the Customers, to develop the Scheduling and Accounting Procedures concerning delivery of Hoover Capacity, Hoover Energy, Hoover C Energy, and other resources available to the Customer under this Contract. The Authority will review, and update as appropriate, Authority billing procedures.

SECTION 13. Covenants of the Customer

(a) The Customer agrees to maintain rates, fees and charges for the sale or use of Hoover Capacity, Hoover Energy, and Hoover C Energy purchased hereunder, as allowed by the appropriate regulatory authority, if any, which, together with other available funds, shall provide to the Customer revenues sufficient to meet its obligations to the Authority under this Contract and the obligations of the Customer, if any, which are equal to or superior to its obligations under this Contract. Nothing herein shall be deemed to require the Customer to satisfy its obligations under this Contract from any source which would result in a violation of any statutory or constitutional provisions.

(b) Except as noted in Sections 7 and 8, the Customer shall not sell, transfer, exchange or otherwise dispose of any of the Hoover Capacity, Hoover Energy, and Hoover C Energy made available to the Customer hereunder other than for resale to its customers in the

Customer's service area or its own use, unless such sale, transfer, exchange or other disposition is approved by the Authority. Such approval shall be in the sole discretion of the Authority and not unreasonably withheld.

(c) The Customer shall not sell or otherwise dispose of all or substantially all of its business or utilities operations from which it derives revenues to satisfy its obligations to the Authority under this Contract except on ninety (90) days prior written notice to the Authority and, in any event, shall not so sell or otherwise dispose of the same unless all of the following conditions are met: (i) the Customer shall assign this Contract and its rights and interest hereunder to the purchaser of its business or utilities operations and such purchaser shall assume all obligations of the Customer under this Contract; (ii) if and to the extent necessary to reflect such assignment and assumption, the Authority and such purchaser shall enter into an agreement supplemental to this Contract to clarify the terms on which Hoover Capacity and Hoover Energy is to be sold hereunder by the Authority to such purchaser; (iii) the Authority shall by resolution determine (which determination shall not be unreasonably withheld) that such sale or other disposition will not adversely affect the value of this Contract as security for the payment of Bonds and; (iv) the Authority receives an opinion of Bond Counsel that such sale or other disposition will not adversely affect the exemption of interest on Bonds from federal income taxation. For the purposes of this Section 13(c), sale or other disposition of substantially all of its business operations shall mean a sale or other disposition by the Customer that adversely affects Customer's ability to continue to make its payments under this Contract. If Hoover D-1 Capacity or Hoover D-1 Energy is made available under this Contract, any assignment of this Contract and associated rights and interests therein pursuant to Section 13(c)(i) shall also require approval from Western.

(d) On and after the effective date of this Contract, the Customer shall not, without written consent of the Authority, lease all or substantially all of its business or utility operations from which it derives revenues to satisfy its obligations under this Contract. The Authority will give its written consent to such lease upon being furnished with an opinion of Bond Counsel to the effect that such lease will not adversely affect the exemption of Bonds from federal income taxation.

(e) The Customer will operate its utility system, its business, or the properties of its business operations from which it derives revenues to satisfy its obligations to the Authority under this Contract in accordance with normal accepted utility practice.

(f) If the Customer owns and operates its own power system, then the Customer shall construct, operate, and maintain its power system in a manner that meets or exceeds generally accepted industry standards.

SECTION 14. Facilities, Ownership, and Liability

If the Customer provides electric facilities and properties to the Authority or the Customer and the Authority operate or maintain joint electric facilities and properties, then the following installation and maintenance obligations apply:

(a) All lines, substations and other electrical facilities (except metering equipment installed by or for the Authority) located on the Customer's side of the Point of Delivery shall be furnished, installed and maintained or caused to be furnished, installed or maintained by the Customer or Host Utility unless otherwise provided by agreement between the parties or unless maintained by third parties.

(b) All meters and other facilities furnished by the Authority shall be and remain the property of the Authority and the right to remove, replace or repair such meters and other facilities is expressly reserved. The Customer shall exercise due care to protect such property on the Customer's premises and in the event of loss or damage to such property caused by Customer's negligence, the Customer shall be liable for any damage to said property; similarly, the Authority shall exercise due care to protect the Customer's property on the Authority's premises and in the event of loss or damage to the Customer's property caused by Authority's negligence, the Authority shall be liable for any damage to Customer's property.

SECTION 15. Uncontrollable Force

Neither the Authority nor the Customer shall be considered to be in default in respect to any obligation hereunder, other than the obligation of the Customer to pay for the Hoover Capacity, Hoover Energy and Hoover C Energy during any Billing Period as provided in Section 11(f) of this Contract, if prevented from fulfilling such obligations by reason of an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

SECTION 16. Contingency Planning

If any of the "Capacity Loss below 1000MW" or "Force Majeure" events set forth in Section 10.1 of the Restated Agreement occur, the Authority will assess the overall severity of the event on the Customer and shall take the following actions:

(a) promptly notify the Customer of such event and convene a meeting of affected Customers to discuss the Authority's response to such event; and

(b) if requested by the Customer, make a good faith effort to mitigate any adverse impact of such event on the Customer.

SECTION 17. Assignment

(a) This Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Contract; provided, however, that, except for the assignment by the Authority authorized by clause (b) of this Section 17 and except for any assignment in connection with the sale, lease or other disposition of all or substantially all of the Customer's business or utilities operations as provided in Section 13(c) or 13(d) hereof, neither this Contract nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. If Hoover D-1 Capacity or Hoover D-1 Energy is made available under this Contract, any assignment of this Contract or any interest therein under this Section 17(a) shall also require approval from Western, as set forth in Section 29 of the Electric Service Contract. No assignment or transfer of this Contract shall relieve the parties of any obligation hereunder, unless and until an assignment of the Customer's Allocation is implemented. Any assignment or transfer of this Contract must not violate Section 9.2 of the Electric Service Contract concerning resale of Hoover Capacity, Hoover Energy and Hoover C Energy.

(b) The Customer acknowledges and agrees that the Authority may assign and pledge to any trustee or similar fiduciary designated in the Bond Resolution all of, or any interest in, its right, title, and interest in and to all payments to be made to the Authority under the provisions of this Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on any Bonds and may deliver possession of this Contract to such trustee in connection therewith, and, upon such assignment, pledge and delivery, the Authority may grant to such trustee any rights and remedies herein provided to the Authority and thereupon any reference herein to the Authority shall be deemed, with the necessary changes in detail, to include such trustee which shall be a third party beneficiary of the covenants and agreements of the Customer herein contained, only to the extent required to protect such trustee's security interest.

SECTION 18. Records and Accounts

(a) The Authority agrees to maintain accurate records and supporting documentation relating to Hoover Capacity, Hoover Energy, Hoover C Energy, Revenue Requirements, Demand Related Revenue Requirements and Energy Related Revenue Requirements, separate and distinct from its other records and accounts. Such records and supporting documentation shall be retained for at least three years after the close of the Contract Year. Upon written request and reasonable notice, the Authority agrees to provide to the Customer's auditors or audit representative such records and supporting documentation for its review and inspection. Any exceptions noted in this review will be forwarded to the Authority for its review and response. The Authority agrees to respond within thirty (30) days of receipt and any agreed exception will be adjusted to the period such exception first occurred.

(b) The Customer agrees to maintain accurate records and supporting documentation relating to the conduct of its business or utility operations which provide the source of payment of the Customer's obligations under this Contract and upon written request and reasonable notice agrees to permit the Authority's auditors or audit representative to inspect such records or documentation. In response to any public records law request for information

related to the Customer's conduct of its business or utility operations that may be contained in records obtained by the Authority during such an inspection, the Authority will notify the Customer within five days of receipt of such request. The Customer shall maintain such records and documentation for at least three years after the close of the Customer's fiscal year.

(c) The Customer agrees to supply to the Authority upon request a copy, if any, of the annual audit of the Customer certified by a firm of certified public accountants.

SECTION 19. Information

The Authority and the Customer will promptly furnish to each other such information as may be reasonably requested from time to time in order to carry out more effectively the intent and purpose of this Contract. In addition, the Customer further agrees to furnish at its own expense such information and documents, including financial statements, legal opinions and engineering reports, as the Authority may reasonably request in connection with the offering and sale of Bonds by the Authority or as may be required by the federal securities laws, including in particular Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended. Any Legal Opinion delivered in substantially the form required by Section 30 of this Contract by the Authority or the Customer, as the case may be, shall be deemed in compliance with and satisfaction of this Section 19.

SECTION 20. Bonds

Any Bonds that the Authority sells and issues in accordance with the provisions of the Bond Resolution to acquire and construct projects contemplated by the Bond Resolution and any other projects, works or facilities associated with the sale and delivery of Hoover Capacity, Hoover Energy, and Hoover C Energy to the Customer, shall be secured by the pledge made pursuant to the provisions of Section 17(b) of this Contract of the payments required to be made by the Customer under this Contract, as such payments may be increased and extended by reason of the issuance of such Bonds. Any such Bonds issued in accordance with the provisions of this Section 20 and secured by the pledge of such payments may, unless otherwise determined by the Authority, rank equally as to the security afforded by the provisions of this Contract with all Bonds theretofore issued pursuant to and secured in accordance with the provisions of the Bond Resolution.

SECTION 21. New Customer and Recapture Customer Obligations

(a) If the Customer is either a New Customer or Recapture Customer, as defined by this Contract, the Customer agrees to pay to the Authority an amount related to Repayable Capital Investments, as provided in this Section 21. The Customer's payment obligation will be calculated as follows:

$$P = (0.5 \times RCI \times C) + (0.5 \times RCI \times E) \text{ where:}$$

P = Payment Obligation

RCI = The total amount of Repayable Capital Investments as of September 30, 2017.

C = Customer's percentage of all Hoover capacity allocated under the 2011 Act.

E = Customer's percentage of Hoover energy allocated under the 2011 Act.

The Authority will divide the Customer's share by the number of years that Western determines to collect Repayable Capital Investments from the Authority, which period shall be no longer than five years commencing October 1, 2017. The Authority will divide the Customer's annual payment obligation by twelve, and will bill monthly in arrears over the collection period starting at the end of the first month of the collection period commencing October 1, 2017.

(b) The Authority will timely issue the New Customer or Recapture Customer a statement for collection of the amount due under Section 21(a) on the same schedule that the Authority renders the statement required under paragraph (g) of Section 11. The Customer shall pay the Authority monthly in the same manner and on the same schedule that the Customer is required to submit payments under paragraph (h) of Section 11. If payment in full is not actually received by the Authority on or before the close of business on the due date of such payment, as provided in paragraph (b) of Section 11, the Authority shall charge the customer late payment charges in the same manner and at the same rate(s) as set forth in paragraph (i) of Section 11. Any dispute as to any portion of any statement issued under this Section 21(b) shall be handled consistent with the dispute resolution process set forth in paragraph (j) of Section 11.

(c) Consistent with Authority Resolution No. 15-18, within a reasonable time after close of the Contract Year on September 30, 2018, and the close of each Contract Year thereafter through September 30, 2022, the Authority will directly distribute any Net Repayable Advance to each Existing Non-Recapture Customer in an amount equal to one-half times the Net Repayable Advance multiplied by the ratio of the amount of the Customer's post-1987 capacity allocation as of September 30, 2017 to the Authority's total post-1987 capacity allocation plus one-half times the Net Repayable Advance multiplied by the ratio of the amount of the Customer's post-1987 energy allocation as of September 30, 2017 to the Authority's total post-1987 energy allocation.

(d) If the Customer is either a New Customer or Recapture Customer, as defined by this Contract, the Customer agrees to pay a pro-rata share of the Transitional Items billed to the Authority by Reclamation pursuant to the Restated Agreement. Each New Customer and Recapture Customer's share of the Transitional Items billed to the Authority shall be calculated by multiplying the total amount that Reclamation bills the Authority for Transitional Items by the ratio of the New Customer or Recapture Customer's Hoover Capacity and Energy compared to all Hoover Capacity and Hoover Energy held by New Customers and Recapture Customers. Any Transitional Items amount that Reclamation returns to the Authority pursuant to Section 16 of the Restated Agreement will be distributed pro rata to Existing Non-Recapture Customers in an amount equal to one-half times the amount of the returned Transitional Items multiplied by the ratio of the amount of the Customer's post-1987 capacity allocation as of September 30, 2017 to the Authority's total post-1987 capacity allocation plus one-half times the amount of the returned Transitional Items multiplied by the ratio of the amount of the Customer's post-1987 energy allocation as of September 30, 2017 to the Authority's total post-1987 energy allocation.

SECTION 22. Default by the Customer

The following shall constitute a default under this Contract:

(a) Failure of the Customer to pay the Authority any of the payments required under this Contract within ten (10) days following receipt of written notice from the Authority to the Customer of such failure.

(b) Failure of the Customer to perform any other obligation under this Contract for a period of sixty (60) days following receipt of written notice from the Authority to the Customer of such failure; provided, however, the Customer shall not be deemed in default under this subsection (b) if the Customer, after receipt of such notice, is proceeding with reasonable diligence to cure such failure.

SECTION 23. Remedies of the Authority

In the event of any default referred to in Section 22 of this Contract, the Authority shall have, in addition to any other rights or remedies it may have under law, the following rights and remedies:

(a) the Authority may bring any suit, action, or proceedings in law or in equity, including any special action for specific performance, as may be necessary and appropriate in the sole discretion of the Authority to enforce against the Customer any covenant, agreement or obligation for which provision is made in this Contract;

(b) the Authority may, at any time upon fifteen (15) days written notice to the Customer, cease and discontinue delivering or making available for delivery Hoover Capacity Hoover Energy, or Hoover C Energy to the Customer so long as such default shall continue; provided, however, that any such cessation and discontinuance shall not relieve the Customer of any obligation under this Contract, including the obligation to pay amounts due on and prior to the date of such cessation and discontinuance and provided further that if the Authority has not terminated this Contract pursuant to subsection (c) below and if the Customer pays all amounts due hereunder, including all late payments, or performs all other obligations to be performed under this Contract then the Authority shall reinstate delivery of Hoover Capacity, Hoover Energy, and Hoover C Energy to the Customer; and

(c) whether or not the Authority shall have ceased and discontinued delivering or making available for delivery Hoover Capacity, Hoover Energy, or Hoover C Energy pursuant to clause (b) above, if an event of default described in Section 22 shall continue for sixty (60) days, the Authority may at any time thereafter while such default shall be continuing, upon written notice to the Customer, terminate this Contract: provided, however, that any such termination shall not relieve the Customer of the obligation to pay any amounts required to be paid under this Contract with respect to any amounts due on and prior to such date of such termination or the date the delivery of Hoover Capacity, Hoover Energy, and Hoover C Energy was discontinued pursuant to subsection (b) above if such date of discontinuance was earlier than the date of termination.

SECTION 24. Default by the Authority

In the event of any default by the Authority under any covenant, agreement or obligation of this Contract, the Customer's remedy for such default shall be limited to injunction, special action, action for specific performance or any other available equitable remedy designed to enforce any covenant, obligation or agreement of the Authority hereunder as may be necessary or appropriate.

SECTION 25. Abandonment of Remedy

In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceeding shall, unless such parties agree otherwise, be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Authority and the Customer shall continue as though no such proceeding had been taken.

SECTION 26. Waivers

Any waiver at any time by either the Authority or the Customer of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Contract, shall not constitute a waiver with respect to any subsequent default, right or matter.

SECTION 27. Recapture of Hoover Capacity and Hoover Energy

If for any reason all or a portion of Customer's Allocation has exceeded the Load of the Customer, for a period of three (3) consecutive Contract Years, the Authority may recapture, in accordance with this Section 27, the portion of Customer's Allocation that has so exceeded Load. The Authority shall give the Customer at least sixty (60) days' notice of a hearing relating to a determination to effect recapture pursuant to this Section 27. At such hearing, the Authority shall determine if the Customer's Allocation can be reasonably expected to exceed in whole or in part the Customer's Load in the future. The Authority will also consider the Customer's participation in any temporary resource management programs that may have affected or will affect the Customer's Load. At the hearing, the Customer shall be given the opportunity to show cause why Customer's Allocation should not be reduced. Any portion of Customer's Allocation, or all of Customer's Allocation, as the case may be, the Authority determines to be excess shall be recaptured by the Authority. Any such recapture shall be effective sixty (60) days following written notice to the Customer of the Authority's determination to recapture. Any such recapture of Hoover Capacity and Hoover Energy shall result in a reduction of the Customer's Allocation to the extent of the recapture. If Hoover D-1 Capacity or Hoover D-1 Energy is made available under this Contract, any reduction in the Customer's Allocation of Hoover D-1 Capacity or Hoover D-1 Energy under this Section 27 shall also require approval from Western, as set forth in Section 29 of the Electric Service Contract.

SECTION 28. Effects of Recapture or Reduced Allocation of Hoover Capacity or Hoover Energy

(a) In the event that the Customer's Allocation of Hoover Capacity or Hoover Energy is recaptured or forfeited in whole or in part or is reduced in part or reduced to zero pursuant to the provisions of this Contract, the rights and obligations of the Customer under this Contract, including, but not limited to, its right to receive Hoover Capacity and Hoover Energy and its obligation to pay for Hoover Capacity and Hoover Energy, shall be reduced in proportion to such recapture, forfeiture or reduction, as the case may be.

(b) If Customer's Allocation of Hoover Capacity and Hoover Energy is recaptured in whole or reduced to zero, this Contract shall not terminate; provided, however, that in the event of such recapture or reduction to zero, if the Customer is not in default of this Contract, the Customer shall have the right, upon written notice to the Authority, to terminate this Contract, and upon such termination the Customer shall no longer have any rights or obligations under this Contract.

SECTION 29. Power Purchase Certificate

The Authority shall not be required to sell any Hoover A Capacity and Hoover A Energy to the Customer unless the Customer holds a power purchase certificate issued by the Authority pursuant to Article 3, Title 30 of the Arizona Revised Statutes. The Customer must maintain the certificate and comply with its requirements, including serving sufficient Load located within the area covered by the certificate to fully use all of Customer's Allocation of Hoover A Capacity and Hoover A Energy, in order to continue purchasing Hoover A Capacity and Hoover A Energy from the Authority.

SECTION 30. Opinion as to Validity

Upon the execution of this Contract, the Customer shall furnish the Authority with an opinion by an attorney or firm of attorneys to the effect that (bracketed language indicates provisions which will vary among Customers):

(a) The Customer is a [municipal] corporation [or organization] [or political subdivision] duly created and validly existing pursuant to the Constitution and statutes of the State of Arizona [or a federally recognized Indian tribe located within the State of Arizona].

(b) The Customer has full legal right and authority to enter into this Contract and to carry out its obligations hereunder.

(c) The resolution authorizing or causing the execution and delivery of the Contract has been duly and lawfully adopted at a meeting duly called and held at which a quorum was present and acting throughout and such meeting was called pursuant to [necessary public notice/its by-laws].

(d) The governing body of the Customer duly approved this Contract and its execution and delivery on behalf of the Customer or otherwise provided for its approval and execution; this Contract has been duly authorized, executed and delivered by the Customer; and,

assuming that the Authority has all the requisite power and authority to execute and deliver, and has duly authorized, executed and delivered, this Contract, this Contract constitutes the legal, valid and binding obligation of the Customer in accordance with its terms subject, however, to the effect of, and to restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, and general principles of equity. No opinion need be rendered as to the availability of any particular remedy.

(e) The execution and delivery of this Contract by the Customer, the performance by the Customer of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or administrative agency having jurisdiction over the Customer or its property or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond resolution, indenture, mortgage, deed of trust or other agreement to which the Customer is a party or by which it or its property is bound.

(f) Other than the issuance of a power purchase certificate by the Authority or approval of transmission arrangements by the Authority, all approvals, consents or authorizations of, or registrations or filings with, any governmental or public agency, authority or person required on the part of the Customer in connection with the execution, delivery and performance of this Contract have been obtained or made.

(g) To the knowledge of such attorney or firm of attorneys after due inquiry, there is no litigation or other proceedings pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) questioning the creation, organization or existence of the Customer or the validity, legality or enforceability of this Contract.

SECTION 31. Relationship to and Compliance with Other Instruments

(a) It is recognized by the parties hereto that, in undertaking, or causing to be undertaken, the financing of any Bonds, the Authority must comply with the requirements of the Bond Resolution and the Electric Service Contract and it is therefore agreed that this Contract is made subject to their terms and provisions.

(b) This Contract is made upon the express condition and with the express covenant that all rights under this Contract shall be subject to and controlled by the Colorado River Compact approved by Section 13(a) of the Boulder Canyon Project Act.

SECTION 32. Notices

(a) Any notice, demand or request provided for in this Contract, or served, given or made in connection with this Contract, other than payments required by Section 11 or Section 21, shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by United States mail or other qualified and recognized delivery service, postage prepaid, or sent by electronic mail if the recipient confirms receipt, to the persons as set forth in Exhibit D. Each party agrees to promptly notify the other party of a change in the information in Exhibit D.

(b) All notices or other writings will be deemed served on the day that they are personally served, deposited, postage prepaid, in the United States mail or with another qualified and recognized delivery service, or if served electronically, on the day that the recipient confirms receipt. A party may at any time, by written notice, change the designation or the address of the person to whom notices are to be sent.

SECTION 33. Severability

In the event that any of the terms, covenants or conditions of this Contract, or the application of any such term, covenant or condition, shall be held invalid or illegal by any court having jurisdiction, it is the intention of each of the parties hereto that such illegal or invalid provision or portion thereof shall not affect any other provision hereof, but this Contract shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless it is finally determined by a court of last resort that such provisions or portion thereof are not separable from all other provisions of this Contract, in which event, this Contract shall terminate.

SECTION 34. Energy Planning and Management Program

The Customer shall, or the Customer shall cause its Host Utility to develop or maintain and implement either an individual or joint Integrated Resource Plan, a Small Customer Plan or other acceptable plan in accordance with the provisions of the “Energy Planning and Management Program; Integrated Resource Planning Approval Criteria” published in the FEDERAL REGISTER on March 30, 2000 (65 Fed. Reg. 16789, et seq.), and any subsequent amendments thereto, as codified at 10 C.F.R. §§ 905.1-905.40. Any failure by the Customer to maintain such standards shall not be deemed a breach of this Contract; provided, however, that if Western determines that any plan or report prepared by the Customer that the Authority relies on to satisfy its obligations under the Criteria is deemed inadequate, the Customer agrees to take any corrective action necessary and pay any penalties imposed by Western for failing to take adequate corrective action.

SECTION 35. Customer Consultation Committee and Participation

(a) The Authority shall establish a Customer Consultation Committee, which shall be made up of Authority staff and representatives of any Customer wishing to participate. The purpose of the Customer Consultation Committee is to provide a mechanism to inform the Customer Consultation Committee members of issues under discussion among two or more of the Authority, Western, Reclamation and other entities contracting directly with Western, relating to the Electric Service Contract, the Restated Agreement or otherwise related to the Boulder Canyon Project.

(b) The Authority shall promptly make all materials relevant to such matters in the Authority’s possession available to the Customer Consultation Committee.

(c) The Customer Consultation Committee shall meet to inform the Customer Consultation Committee members of the issues under discussion, solicit input from the Customer Consultation Committee members regarding the Authority’s position on such issues, and to

inform the Customer Consultation Committee members of the Authority's position on such issues.

(d) The Customer representatives on the Customer Consultation Committee, with input from the Authority, may select up to five (5) persons to attend, with the Authority, any meeting among the Authority and Western, Reclamation or other entities contracting directly with Western relating to the above-described issues. The Authority shall provide an opportunity for at least one of the five persons to represent Customers receiving Hoover D-1 Capacity and Hoover D-1 Energy. The Authority shall allow such attendance provided that nothing herein prevents the Authority from inviting and allowing more than five (5) Customer Representatives to any meeting among the Authority and Western, Reclamation, or other entities contracting directly with Western relating to the above-described issues. In the event the Customer members are unable to agree on the Customer attendees, the Authority shall select the Customer attendees.

SECTION 36. Table of Contents and Section Headings

The Table of Contents and section headings appear only as a matter of convenience and shall not be considered a part of this Contract.

SECTION 37. Amendment

Except as provided for expressly herein, neither this Contract nor any terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing executed by each party to this Contract; provided, however, that a party may waive any right or claim through a waiver signed solely by the waiving party.

SECTION 38. Applicable Law

(a) This Contract shall be governed by, construed and enforced in accordance with the laws of the State of Arizona subject to any limitation on the Customer's limited waiver of sovereign immunity as set forth in Section 44.

(b) Any reference in this Contract to any federal or state act, statute, or regulation shall be deemed to be a reference to such act, statute, or regulation and all amendments and supplements thereto in existence on the date of execution of this Contract, unless specifically noted otherwise; provided, that nothing in this Contract limits the authority of the United States Congress or the Arizona State Legislature. In the event that a change in any act, statute, or regulation materially impairs any right, benefit or interest of the Customer, or imposes any material increase in cost, or reduction in allocation of capacity or energy, or otherwise materially changes an obligation of the Customer hereunder, the parties shall promptly meet and discuss in good faith regarding possible changes to this Contract to mitigate the impact of such a change in any act, statute, or regulation. The rights and remedies under this Section 38(b) are cumulative and in addition to, not exclusive or in substitution for, any other rights or remedies available under law or equity. Notwithstanding the foregoing nothing herein provides for, or allows, the Customer to pursue an action against the Authority, either in law or in equity, arising from a change to any federal or state act, statute, or regulation, or expands the Customer's remedies against the Authority beyond those contained in Section 24.

SECTION 39. Recitals, Exhibits and Attachment

The recitals, exhibits, and attachment to this Contract are incorporated herein by this reference and made a part hereof for all purposes.

SECTION 40. Entire Agreement

This Contract, together with the attached Exhibits A, B, C, and D and Attachment 1 constitute the entire understanding between the Parties with respect to the subject matter contained herein and supersede any prior understandings, negotiations, or agreements, whether written or oral, respecting the subject matter; provided however, that by mutual agreement, the Parties may revise Exhibits A, B, or D without the necessity of revising the entire Agreement. The Parties agree that the Authority may, in its sole discretion, periodically revise the format of Exhibit C in consultation with the Customer without the necessity of revising the entire Agreement. The initial Attachment 1 is incorporated into this Contract until superseded by a subsequent attachment. In the event of changed conditions or circumstances, the Authority may change or modify Attachment 1. The Authority shall provide to the Customer written notice of, and opportunity to comment on any change or modification of Attachment 1 at least thirty (30) days prior to the effective date of such revised attachment. The Authority will, in good faith, consider any comments submitted. In the event of any conflict between either the Exhibits or Attachment 1 and this Contract, the Contract will control.

SECTION 41. Execution in Counterpart

This Contract may be executed in any number of counterparts and, upon execution and delivery by each Party, the executed and delivered counterparts together shall have the same force and effect as an original instrument as if all Parties had signed the same instrument.

SECTION 42. Conflict of Interest

This Contract is subject to cancellation pursuant to A.R.S. section 38-511.

SECTION 43. Arbitration in Superior Court

As required by A.R.S. Section 12-1518, and subject to the limitation on Customer's remedies set forth in Section 24, the Authority and the Customer agree to make use of arbitration in disputes that are subject to mandatory arbitration pursuant to A.R.S. Section 12-133.

SECTION 44. Dispute Resolution With Tribal Entities

If Customer is a Tribal Entity, as defined in this Contract, Customer agrees to a limited waiver of sovereign immunity solely as to arbitration of and litigation in federal district court for enforcement of the Contract by the Authority related to Customer's obligations under this Contract. Aside from this limited waiver, nothing in this Contract, or in any current or future attachments, exhibits, or amendments, is intended to be or shall be construed as a waiver of such Customer's sovereign immunity. The Parties understand and agree that neither this Contract nor any underlying law or procedure abrogates or waives Customer's sovereign immunity from suit in any state or federal court or confers jurisdiction on any such court.

SECTION 45. Equal Employment Practices

(a) The Customer, unless otherwise exempt by federal or state law, will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex or national origin. The Customer will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, age, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Customer agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of this nondiscrimination clause.

(b) The Customer will in all solicitations or advertisements for employees placed by or on behalf of the Customer state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex or national origin.

(c) The Customer will send to each labor union or representative of workers with which it has an understanding a notice advising the labor union or workers' representative of the Customer's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Customer will furnish all information and reports required by the Authority and will permit access to its books, records, and accounts by the Authority and the Arizona Civil Rights Division for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(e) In the event of the Customer's noncompliance with this section or with any such rules, regulations or orders of the Arizona Civil Rights Division said noncompliance will be considered a material breach of the contract and this contract may be cancelled, terminated or suspended in whole or in part, and the Customer may be declared ineligible for future government contracts until said Customer has been found to be in compliance with this section and the rules and regulations of the Arizona Civil Rights Division contained in or adopted pursuant to Chapter 9 of Title 41 of the Arizona Revised Statutes or any amendments thereto, and such sanctions may be imposed and remedies invoked as provided in Part II of Executive Order 2009-9 and the rules and regulations of the Arizona Civil Rights Division contained in or adopted pursuant to Chapter 9 of Title 41 of the Arizona Revised Statutes or any amendments thereto.

SECTION 46. Restated Agreement

To the extent applicable, each Customer authorizes the Authority to execute the Restated Agreement on its behalf.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their proper officers, respectively, being thereunto duly authorized, and their respective corporate seals, if any, to be hereto affixed, as of the day, month and year first above written.

ARIZONA POWER AUTHORITY

Chairman

Attest:

Secretary

[Insert Name of Customer]

Attest:

Secretary

Approved as to Form:

[Note: If necessary, insert Name of Customer's Counsel]

EXHIBIT A

DELIVERY CONDITIONS

1. This Exhibit A, under and as part of this Contract, shall become effective October 1, 2017, and shall remain in effect until superseded by another Exhibit A; as approved by the Authority and the Customer; provided that this Exhibit A or any superseding Exhibit A shall be terminated upon expiration of this Contract

2. **POINT OF DELIVERY:** The Authority shall make Hoover Capacity and Energy available to the Customer at the Mead 230kV Bus.

EXHIBIT B**ARIZONA POWER AUTHORITY
HOOVER CAPACITY AND
HOOVER ENERGY ALLOCATION**

1. **Capacity Allocation:** Hoover Capacity portion of Customer's Allocation in Kilowatts (kW) at the Point of Delivery:

Hoover A Capacity (kW)	Hoover B Capacity (kW)	Hoover D Capacity (KW)	Total Capacity (kW)

2. **Energy Allocation:** Hoover Energy in kilowatt hours (kWh) to be delivered or made available for delivery at the Point of Delivery:

Hoover A Energy (kW)	Hoover B Energy (kW)	Hoover D Energy (KW)	Total Energy (kW)

ARIZONA POWER AUTHORITY
CAPACITY AND ENERGY SCHEDULE

The format of this Exhibit C is set forth as follows. The Authority will annually complete this Exhibit C with Customer's Entitlement, and will periodically revise Customer's Entitlement throughout the Contract Year.

1. **Capacity Entitlement:** Hoover Capacity portion of Customer's Entitlement in Kilowatts (kw) at the Point of Delivery shall be:

Capacity Entitlement

<u>Hoover A</u> <u>Capacity</u> (kW)	<u>Hoover B</u> <u>Capacity</u> (kW)	<u>Hoover D</u> <u>Capacity</u> (kW)	<u>Total</u>	<u>Point of</u> <u>Delivery</u> (kW)
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2. **Energy Entitlement:** Hoover Energy in kilowatt hours (kwh) to be delivered at the Point of Delivery for each month of the Contract Year shall be:

Energy Entitlement

<u>Winter</u> <u>Season</u>	<u>Hoover A</u> <u>Energy</u> (kWh)	<u>Hoover B</u> <u>Energy</u> (kWh)	<u>Hoover C</u> <u>Energy</u> (kWh)	<u>Hoover D</u> <u>Energy</u> (kWh)	<u>Total</u>	<u>Point</u> <u>of Delivery</u> (kWh)
--------------------------------	---	---	---	---	--------------	---

October

November

December

January

February

Total Seasonal
Entitlement:

Energy Entitlement

<u>Summer</u> Season	Hoover A <u>Energy</u> (kWh)	Hoover B <u>Energy</u> (kWh)	Hoover C <u>Energy</u> (kWh)	Hoover D <u>Energy</u> (kWh)	Total	Point of Delivery (kWh)
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March

April

May

June

July

August

September

Total Seasonal
Entitlement:

TOTAL ANNUAL
ENERGY
ENTITLEMENT
(kWh) :

Notices

This Exhibit D, under and as part of this Contract, shall become effective October 1, 2017, and shall remain in effect until superseded by another Exhibit D as approved by the Parties in accordance with Section 40 of this Contract, provided, however, that this Exhibit D or any superseding Exhibit D shall be terminated upon the expiration or earlier termination of the Contract.

For the purposes of this Contract, all notices and official communications from the Customer to the Authority will be addressed and sent to the Authority as follows:

ARIZONA POWER AUTHORITY
c/o Executive Director
1810 West Adams Street
Phoenix, Arizona 85007
E-mail:

For the purposes of this Contract, all notices and official communications from the Authority to the Customer will be addressed and sent to the Customer as follows:

**[Drafting Note:
Insert Customer's Name(s)/Title(s) and Address]**

APA Power Sales Contract

Attachment 1

ARIZONA POWER AUTHORITY TOTAL SCHEDULES A, B, D1 AND D2

	Schedule A Allocations		Schedule B Allocations		Schedule D2 Allocations		Amounts at Generation Schedule D1 Allocatoions	
	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>
Aguila Irrigation District	2,449	7,874,115	3,878	4,113,711	-	-	-	-
Aha Macav Power Service	-	-	-	-	332	724,371	-	-
Ak-Chin Tribe	-	-	102	108,200	-	-	-	-
Avra Valley Irrigation and Drainage District	630	2,025,599	-	-	-	-	-	-
Avra Water Co-op, Inc.			-	-	100	218,184	-	-
Buckeye Water Conservation & Drainage District	2,979	9,578,190	-	-	-	-	-	-
Central Arizona Water Conservation District			161,600	171,422,311	-	-	-	-
Chandler Heights Citrus Irrigation District	930	2,990,170	-	-	-	-	-	-
City of Avondale	-	-	-	-	547	1,193,468	-	-
City of Buckeye	-	-	-	-	670	1,461,834	-	-
City of Chandler Municipal Ultilities Department	-	-	-	-	-	-	676	1,475,854
City of Flagstaff	-	-	-	-	172	375,277	201	438,826
City of Glendale	-	-	-	-	-	-	426	930,050
City of Globe	-	-	-	-	113	246,548	115	251,070
City of Maricopa	-	-	-	-	164	357,822	-	-
City of Mesa	-	-	1,497	1,587,990	-	-	-	-
City of Peoria	-	-	-	-	-	-	691	1,508,602
City of Phoenix	-	-	-	-	-	-	3,000	6,549,646
City of Safford	-	-	2,101	2,228,702	-	-	-	-
City of Scottsdale	-	-	-	-	-	-	2,366	5,165,487
City of Sedona	-	-	-	-	111	242,184	-	-
City of Sierra Vista	-	-	-	-	204	445,096	-	-
City of Tempe Public Works Department	-	-	-	-	-	-	241	526,155
City of Tucson Water Department	-	-	-	-	-	-	1,248	2,724,653

	<u>Schedule A Allocations</u>		<u>Schedule B Allocations</u>		<u>Schedule D2 Allocations</u>		<u>Schedule D1 Allocatoions</u>	
	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>
City of Williams	-	-	-	-	825	1,800,020	-	-
City of Yuma	-	-	-	-	996	2,173,114	-	-
Cortaro-Marana Irrigation District	6,439	20,702,909	-	-	-	-	-	-
Duncan Valley Electric Cooperative, Inc.	-	-	-	-	700	1,527,289	-	-
Electrical District No. 2, of Pinal County	19,445	62,520,276	-	-	-	-	-	-
Electrical District No. 3, Pinal County	15,896	51,109,401	-	-	-	-	-	-
Electrical District No. 4, Pinal County	19,445	62,520,276	-	-	-	-	-	-
Electrical District No. 5, Pinal County	14,767	47,479,399	-	-	-	-	-	-
Electrical District No. 6, Pinal County	8,358	26,872,947	-	-	-	-	-	-
Electrical District No. 7, Maricopa County	10,498	33,753,554	-	-	-	-	-	-
Electrical District No. 8, Maricopa County	13,387	43,042,373	10,917	11,580,553	-	-	-	-
Franklin Irrigation District	303	974,217	-	-	-	-	-	-
Gila Valley Irrigation District	910	2,925,865	-	-	-	-	-	-
Graham County Electric Cooperative, Inc.			-	-	1,000	2,181,842	312	681,163
Grover's Hill Irrigation District	100	321,524	-	-	-	-	-	-
Harquahala Valley Power District	2,490	8,005,939	-	-	-	-	-	-
Hohokam Irrigation and Drainage District	100	321,524	-	-	-	-	-	-
Hualapai Tribe			-	-	100	218,184	-	-
Hyder Valley Irrigation and Water Delivery District	100	321,524	-	-	-	-	-	-
Maricopa County Municipal Water Conservation District	8,838	28,416,261	-	-	-	-	-	-
Markham Irrigation and Water Conservation District	100	321,524	-	-	-	-	-	-
McMullen Valley Water Conservation and Drainage District	3,800	12,217,899	5,342	5,666,695	-	-	-	-
Metropolitan Domestic Water Improvement District	-	-	-	-	-	-	179	390,796
Mohave Electric Cooperative, Inc.	-	-	-	-	1,000	2,181,842	1,145	2,499,781

	<u>Schedule A Allocations</u>		<u>Schedule B Allocations</u>		<u>Schedule D2 Allocations</u>		<u>Schedule D1 Allocatoions</u>	
	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>	<u>kW</u>	<u>KWh</u>
Mohave Valley Irrigation and Drainage District	390	1,253,942	-	-	-	-	-	-
Navopache Electric Cooperative, Inc.	-	-	-	-	1,000	2,181,842	888	1,938,695
Northern Arizona Irrigation District Power Pool	-	-	-	-	-	-	246	537,071
Ocotillo Water Conservation District	2,115	6,800,225	-	-	-	-	-	-
Page Own System & Operating (Muni)	-	-	1,050	1,113,821	-	-	-	-
Queen Creek Irrigation District	1,770	5,690,969	-	-	-	-	-	-
Roosevelt Irrigation District	3,219	10,349,847	-	-	-	-	-	-
Roosevelt Water Conservation District	6,759	21,731,784	-	-	-	-	-	-
Salt River Project	38,782	124,693,307	-	-	-	-	-	-
San Tan Irrigation District	520	1,671,923	-	-	-	-	-	-
Silverbell Irrigation & Drainage District	710	2,282,818	-	-	-	-	-	-
Silvercreek Irrigation District	100	321,524	-	-	-	-	-	-
St. David Irrigation District	81	260,434	-	-	-	-	-	-
Sulfur Springs Valley Electric Cooperative, Inc.	-	-	-	-	1,000	2,181,842	2,731	5,962,361
Tonopah Irrigation District	1,549	4,980,402	-	-			-	-
Town Of Fredonia	-	-	-	-	100	218,184	-	-
Town of Gilbert	-	-	-	-	1,000	2,181,842	-	-
Town of Oro Valley	-	-	-	-	203	442,914	-	-
Town of Payson	-	-	-	-	173	377,459	119	259,803
Town of Thatcher	-	-	1,060	1,124,429	-	-	-	-
Town of Wickenburg	-	-	2,313	2,453,588	-	-	-	-
Trico Electric Cooperative, Inc.	-	-	-	-	1,000	2,181,842	3,000	6,549,646
Wellton-Mohawk Irrigation and Drainage District	2,910	9,356,339	-	-	-	-	-	-
TOTAL	190,869	613,689,000	189,860	201,400,000	11,510	25,113,000	17,584	38,389,659

Arizona Power Authority
Hoover Operating Account Budget

Estimated Revenue Requirements													
Line No.		Adopted	PROPOSED	Future Years (select sensitivity)									
		Budget for Operating Year Ending 9/30/16	Budget for Operating Year Ending 9/30/18	OY 2019	OY 2020	OY 2021	OY 2022	OY 2023	OY 2024	OY 2025	OY 2026	OY 2027	
1	Demand Related Costs:												
2	Western's Demand Charge	\$ 6,157,967	\$ 9,642,996	\$ 6,820,429	\$7,342,832	\$ 6,615,731	\$6,682,284	\$ 6,827,630	\$7,186,220	\$ 7,194,886	\$7,404,813	\$ 6,805,689	
3	Transmission - 50%	\$ 3,849,611	\$ -										
4	Administrative & General - 50%	\$ 1,291,316	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	
5	Uprate Advance Credit - 50%	\$ (3,287,609)	\$ (105,000)										
6	Debt Service - 50%	\$ 3,868,838	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	
7	Other Uprating Credit Related Costs - 50%	\$ 142,050	\$ 105,000										
8	Scheduling Entity Revenue	\$ (2,726,000)	\$ -										
9	Planned Surplus - 50%	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
10	Interest Income - 50%	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	
11	Total	\$ 9,494,793	\$ 11,816,441	\$ 8,993,874	\$ 9,516,277	\$ 8,789,176	\$ 8,855,729	\$ 9,001,075	\$ 9,359,665	\$ 9,368,331	\$ 9,578,258	\$ 8,979,134	
12													
13	Energy Related Costs:												
14	Western's Energy Charge	\$ 6,039,833	\$ 9,471,111	\$ 6,698,856	\$ 7,211,947	\$ 6,497,806	\$ 6,563,173	\$ 6,705,928	\$ 7,058,126	\$ 7,066,638	\$ 7,272,823	\$ 6,684,378	
15	Lower Colorado River Basin Dev. Fund Charge	\$ 2,965,232	\$ 3,003,455	\$ 2,952,801	\$ 2,928,347	\$ 2,864,592	\$ 2,815,685	\$ 2,862,846	\$ 2,793,851	\$ 1,542,921	\$ 1,540,980	\$ 1,540,980	
16	Transmission - 50%	\$ 3,849,611	\$ -										
17	Administrative & General - 50%	\$ 1,291,316	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	\$ 1,106,769	
18	Uprate Advance Credit - 50%	\$ (3,287,609)	\$ (105,000)										
19	Debt Service - 50%	\$ 3,868,838	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	\$ 868,056	
20	Other Uprating Credit Related Costs - 50%	\$ 142,050	\$ 105,000										
21	Scheduling Entity Revenue	\$ (2,726,000)	\$ -										
22	Planned Surplus - 50%	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	
23	Interest Income - 50%	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	\$ (1,380)	
24	Total	\$ 12,341,891	\$ 14,648,011	\$ 11,825,102	\$ 12,313,739	\$ 11,535,844	\$ 11,552,303	\$ 11,742,218	\$ 12,025,422	\$ 10,783,004	\$ 10,987,248	\$ 10,398,803	
25													
26	Avg. Capacity Entitlement @ Generation (kW) <i>Post 2017</i>												
27	Schedule 'A'	123,477	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	118,265.07	
28	Schedule 'B'	122,836	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	117,639.88	
	Schedule "D"		18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	18,027.04	
		246,313.53	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	253,932.00	
30													
31	Energy Entitlement @ Generation (MWh) <i>Post 2017</i>												
32	Schedule 'A'	497,458	466,197.48	458,334.89	454,539.16	444,643.14	437,051.67	444,372.01	433,662.62	431,086.94	430,544.69	430,544.69	
	Schedule 'B'	163,265	152,996.34	150,416.00	149,170.32	145,922.65	143,431.29	145,833.68	142,319.08	141,473.79	141,295.84	141,295.84	
33	Schedule "D"		48,240.69	47,427.09	47,034.32	46,010.31	45,224.77	45,982.26	44,874.08	44,607.56	44,551.45	44,551.45	
34	Total	660,723	667,435	656,178	650,744	636,576	625,708	636,188	620,856	617,168	616,392	616,392	
35													
36	Recovery of Revenue at Generation												
37	From Demand Rate	\$9,494,793	\$11,816,441	\$8,993,874	\$9,516,277	\$8,789,176	\$8,855,729	\$9,001,075	\$9,359,665	\$9,368,331	\$9,578,258	\$8,979,134	
38	From Energy Rate	\$12,341,891	\$14,648,011	\$11,825,102	\$12,313,739	\$11,535,844	\$11,552,303	\$11,742,218	\$12,025,422	\$10,783,004	\$10,987,248	\$10,398,803	
39	Total Revenue Requirement	\$21,836,684	\$26,464,453	\$20,818,976	\$21,830,016	\$20,325,020	\$20,408,032	\$20,743,293	\$21,385,087	\$20,151,335	\$20,565,506	\$19,377,938	
40													
41	Estimated APA Rate Without Scheduling Entity Revenue												
42	Demand Charge (\$/kW/Mo.)		3.88	2.95	3.12	2.88	2.91	2.95	3.07	3.07	3.14	2.95	
43	Energy Charge (Mills/kWh)		17.45	13.52	14.42	13.62	13.96	13.96	14.87	14.97	15.33	14.37	
44	LCRBDF (Mills/kWh)		4.50	4.50	4.50	4.50	4.50	4.50	4.50	2.50	2.50	2.50	
45	Sched. A&B Energy Rate (Mills/kWh)		21.95	18.02	18.92	18.12	18.46	18.46	19.37	17.47	17.83	16.87	
46													
47	Composite Rate (Mills/kWh)		39.65	31.73	33.55	31.93	32.62	32.61	34.44	32.65	33.36	31.44	
48	Scheduling Entity Revenue Included***												
49	Demand Charge (\$/kW/Mo.)	3.21	3.08	2.06	2.23	1.99	2.01	2.06	2.18	2.18	2.25	2.05	
50	Energy Charge (Mills/kWh)	14.19	13.36	9.29	10.12	9.12	9.31	9.45	10.14	8.19	8.53	7.58	
51	LCRBDF (Mills/kWh)	4.49	4.50	4.50	4.50	4.50	4.50	4.50	4.50	2.50	2.50	2.50	
52	Sched. A&B Energy Rate (Mills/kWh)	18.68	17.86	13.79	14.62	13.62	13.81	13.95	14.64	10.69	11.03	10.08	
53	***	\$5,452,000	33.05	\$ 31.48	\$ 23.42	\$ 25.17	\$ 23.36	\$ 23.90	\$ 24.04	\$ 25.66	\$ 23.82	\$ 24.52	\$ 22.59

1. Western's Demand charge in OY2018 includes \$15,000,000 working capital plus \$13,500 in transitional costs
2. Capacity remains constant, Energy comes from 10 YR plan
3. OY 2016 Parker-Davis Transmission Rate - \$1.34/kW Month

Schedule A	OY 2018	OY 2019	OY 2020	OY 2021	OY 2022	OY 2023	OY 2024	OY 2025	OY 2026	OY 2027
Composite Rate (Mills/kWh)	\$ 33.75	\$ 27.16	\$ 28.67	\$ 27.33	\$ 27.90	\$ 27.89	\$ 29.42	\$ 27.59	\$ 28.19	\$ 26.58
Schedule B										
Composite Rate (Mills/kWh)	\$ 57.73	\$ 45.72	\$ 48.48	\$ 46.03	\$ 47.07	\$ 47.05	\$ 49.84	\$ 48.15	\$ 49.23	\$ 46.31
Schedule D										
Composite Rate (Mills/kWh)	\$ 39.34	\$ 31.48	\$ 33.29	\$ 31.68	\$ 32.36	\$ 32.35	\$ 34.18	\$ 32.38	\$ 33.09	\$ 31.18

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 06/22/2016
Meeting Date: 07/05/2016



TITLE

Future Agenda Item Request (F.A.I.R.): A request by Vice Mayor Barotz to place on a future work session agenda a presentation by Community Development staff about recent developments related to medical marijuana dispensaries and discussion by Council about whether, in light of this new information, Council should re-examine the existing medical marijuana dispensary zoning code provisions.

RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

Rule 4.01, Procedures for Preparation of Council Agendas, of the City of Flagstaff City Council Rules of Procedure outlines the process for bringing items forward to a future agenda. Vice Mayor Barotz has requested this item be placed on an agenda under Future Agenda Item Requests (F.A.I.R.) to determine if there is a majority of Council interested in placing it on a future agenda.

INFORMATION:

None

Attachments:

No file(s) attached.